

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. 2006-11, page 635.

TEFRA partnership provisions; classification of items.

This ruling provides that the tax treatment by an affiliated group on a consolidated return of the parent corporation's payment to a partnership, in which the parent is not a partner, is not a "partnership item" within the meaning of section 6231(a)(3) of the Code or an "affected item" within the meaning of section 6231(a)(5), even if another member of the group is a partner in the partnership.

Rev. Rul. 2006-12, page 637.

Interest rates; underpayments and overpayments. The rate of interest determined under section 6621 of the Code for the calendar quarter beginning April 1, 2006, will be 7 percent for overpayments (6 percent in the case of a corporation), 7 percent for underpayments, and 9 percent for large corporate underpayments. The rate of interest paid on the portion of a corporate overpayment exceeding \$10,000 will be 4.5 percent.

Notice 2006-21, page 643.

This notice informs Alabama, Louisiana, and Mississippi of their state population portion in the Gulf Opportunity Zone required to determine the (1) Gulf Opportunity housing amount under section 1400N(c)(1)(B) of the Code, and (2) maximum aggregate face amount of qualified Gulf Opportunity Zone Bonds under section 1400N(a)(3) of the Code.

Notice 2006-29, page 644.

This notice informs taxpayers of amendments that will be made to the final regulations (T.D. 9241, 2006-7 I.R.B. 427) under section 671 of the Code regarding certain reporting rules for non-mortgage widely held fixed investment trusts (NMWHFITs).

Until such amendments reflecting these changes are issued, taxpayers may rely on this notice.

EXEMPT ORGANIZATIONS

Announcement 2006-17, page 653.

John A. Hyman Memorial Youth Foundation of Warrenton, NC, no longer qualifies as an organization to which contributions are deductible under section 170 of the Code.

Announcement 2006-18, page 654.

A list is provided of organizations now classified as private foundations.

ADMINISTRATIVE

Rev. Rul. 2006-11, page 635.

TEFRA partnership provisions; classification of items.

This ruling provides that the tax treatment by an affiliated group on a consolidated return of the parent corporation's payment to a partnership, in which the parent is not a partner, is not a "partnership item" within the meaning of section 6231(a)(3) of the Code or an "affected item" within the meaning of section 6231(a)(5), even if another member of the group is a partner in the partnership.

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Finding Lists begin on page ii.



T.D. 9252, page 633.

REG-157271-05, page 652.

Temporary and proposed regulations under section 6103 of the Code are provided regarding administrative review procedures for certain government agencies and other authorized recipients of tax returns or return information (authorized recipients) whose receipt of returns and return information may be suspended or terminated because they do not maintain proper safeguards. The regulations provide guidance to responsible IRS personnel and authorized recipients as to these administrative procedures.

Rev. Proc. 2006-18, page 645.

Automobile owners and lessees. This procedure provides owners and lessees of passenger automobiles (including trucks, vans, and electric automobiles) with tables detailing the limitations on depreciation deductions for passenger automobiles first placed in service during calendar year 2006 and the amounts to be included in income for passenger automobiles first leased during calendar year 2006.

Announcement 2006-16, page 653.

This document withdraws a proposed regulation (REG-103829-99, 2002-2 C.B. 59) regarding the definition of highway vehicle.

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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For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 280F.—Limitation on Depreciation for Luxury Automobiles; Limitation Where Certain Property Used for Personal Purposes

26 CFR 1.280F-7: Property leased after December 31, 1986.

This procedure provides owners and lessees of passenger automobiles (including electric automobiles) with tables detailing the limitations on depreciation deductions for automobiles first placed in service during calendar year 2006 and the amounts to be included in income for automobiles first leased during calendar year 2006. See Rev. Proc. 2006-18, page 645.

Section 6103.—Confidentiality and Disclosure of Returns and Return Information

26 CFR 301.6103(p)(4)-1T: Procedures relating to safeguards for returns or return information (temporary).

T.D. 9252

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Part 301

Procedures for Administrative Review of a Determination That an Authorized Recipient Has Failed to Safeguard Tax Returns or Return Information

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Temporary regulations.

SUMMARY: This document contains temporary regulations regarding administrative review procedures for certain government agencies and other authorized recipients of tax returns or return information (authorized recipients) whose receipt of returns and return information may be suspended or terminated because they do not

maintain proper safeguards. The temporary regulations provide guidance to responsible IRS personnel and authorized recipients as to these administrative procedures. The text of these temporary regulations serves as the text of the proposed regulations (REG-157271-05) set forth in the notice of proposed rulemaking on this subject in this issue of the Bulletin.

DATES: Effective Date: These regulations are effective February 24, 2006.

Applicability Date: For dates of applicability, see §301.6103(p)(7)-1T(e).

FOR FURTHER INFORMATION CONTACT: Melinda Fisher, (202) 622-4580 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

Under section 6103 of the Internal Revenue Code (Code), tax returns and return information are protected from disclosure except in specifically enumerated circumstances. Where disclosure is permitted, section 6103 generally imposes strict safeguarding requirements and requires the IRS to monitor and enforce compliance with those requirements. Section 6103(p)(7) requires the Secretary of the Treasury to prescribe procedures providing for administrative review of any determination under section 6103(p)(4) that an agency, body, or commission receiving returns or return information pursuant to section 6103(d) has failed to meet the safeguarding requirements. Withdrawn §301.6103(p)(7)-1 set forth the procedures for terminating future disclosures to these authorized recipients. These temporary regulations provide the intermediate review and termination procedures for all authorized recipients identified in section 6103(p)(4).

With an increasing volume of authorized disclosures of returns and return information, it is critical that authorized recipients of returns and return information adhere to the strict safeguard requirements of the Code and that the IRS take all necessary steps to ensure that those requirements are met. If unauthorized disclosures

do occur, it is similarly important that the IRS take steps to address them and ensure that they are not repeated. Such steps include, as appropriate, suspension or termination of further disclosures to an authorized recipient. Nevertheless, because the authority to receive returns and return information is provided by law, authorized disclosures should not be suspended or terminated without appropriate administrative review procedures. These temporary regulations set forth procedures to ensure that authorized recipients provide the proper security and protection to returns and return information.

Explanation of Provisions

There are four basic parts to the statutory scheme Congress created in section 6103 of the Code to protect the confidentiality of tax returns and return information:

1. The general rule that makes returns and return information confidential except as expressly authorized in the Code;
2. The exceptions to the general rule detailing permissible disclosures;
3. Technical, administrative, and physical safeguard provisions to prevent authorized recipients of returns and return information from inspecting, using, or disclosing the returns and return information in an unauthorized manner, and accounting, recordkeeping and reporting requirements that detail what inspections and disclosures are made for certain purposes to assist in oversight; and
4. Criminal penalties for the willful unauthorized inspection or disclosure of returns and return information and a civil cause of action for the taxpayer whose returns or return information has been inspected or disclosed in a manner not authorized by the Code.

Section 6103(p)(4) provides that no returns or return information may be disclosed by the IRS to certain government agencies and other authorized recipients unless they establish procedures satisfactory to the IRS for safeguarding the

returns and return information they receive. These procedures are set forth in Publication 1075, *Tax Information Security Guidelines for Federal, State and Local Agencies*, which is available at www.irs.gov/formspubs/list. Disclosure of returns and return information to the authorized recipients described in section 6103(p)(4) is conditioned on the recipient maintaining a secure place for storing the returns and return information, restricting access to returns and return information to persons whose duty requires access and to whom disclosure can be made under the internal revenue laws, providing other safeguards necessary to keeping the returns and return information confidential, reporting to the IRS on the safeguard procedures, and returning to the IRS or destroying the returns and return information upon completion of use. The IRS reviews, on a regular basis, safeguards established by authorized recipients of returns and return information.

If there are any unauthorized inspections or disclosures of returns or return information by authorized recipients, further disclosures may be terminated or suspended until the IRS is satisfied that adequate protective measures have been taken to prevent a recurrence of unauthorized inspection or disclosure. In addition, the IRS may terminate or suspend disclosure to any authorized recipient if the IRS determines that adequate safeguards are not being maintained.

The Code, in section 6103(p)(4), (p)(7), and (q) authorizes the IRS to promulgate regulations to carry out its statutory safeguard responsibilities. More specifically, section 6103(p)(7) requires that the IRS promulgate regulations establishing procedures for an administrative review of any determination by the IRS under section 6103(p)(4) that a State tax agency authorized to receive returns and return information under section 6103(d) has failed to meet the requirements of section 6103(p)(4). See TAX REFORM ACT OF 1976, S. Rep. 94-938, 94th Cong., 2d Sess. 345 (1976). Under current §301.6103(p)(7)-1 of the Procedure and Administration Regulations (26 CFR Part 301), the IRS has established procedures whereby State tax agencies that receive returns and return information pursuant to section 6103(d) have an opportunity, prior to a suspension or termination of disclo-

sure, to contest a preliminary finding by the IRS of inadequate safeguards or unauthorized disclosure, or to establish that a State tax agency has taken steps to prevent a recurrence of the violation.

This document adopts temporary regulations that extend the administrative review procedure applicable to State tax agencies to any authorized recipient specified in section 6103(p)(4) with respect to which the IRS has made a preliminary finding of inadequate safeguards or unauthorized disclosure. The temporary regulations also apply this administrative review procedure to any such authorized recipient with respect to which the IRS has made a preliminary finding as to unauthorized inspection of returns or return information. The temporary regulations treat unauthorized inspection in the same manner as unauthorized disclosure because both unauthorized acts are proscribed by the Code. In particular, section 7213A, enacted by the Taxpayer Browsing Protection Act of 1997, Public Law No. 105-35 (111 Stat. 1104), specifically treats the unauthorized inspection of a return or return information as a misdemeanor.

Special Analyses

It has been determined that these temporary regulations are 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(b)(B) it has been determined that prior notice and public comment on these temporary regulations are unnecessary and contrary to the public interest. These regulations do not impose any burdens or obligations on any person, but instead provide certain rights of administrative review. Moreover, these regulations are necessary to protect taxpayer confidentiality and the integrity of return information. For the same reasons, it has been determined pursuant to 5 U.S.C. 553(d)(3) that good cause exists to dispense with a delayed effective date for these regulations. For applicability of the Regulatory Flexibility Act (5 U.S.C. chapter 6), please refer to the cross-reference notice of proposed rulemaking published elsewhere in this issue of the Bulletin. Pursuant to section 7805(f) of the Code, these 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 temporary regulations is Melinda K. Fisher, Office of the Associate Chief Counsel (Procedure & Administration), Disclosure and Privacy Law Division.

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Amendments to the Regulations

Accordingly, 26 CFR Part 301 is amended as follows:

PART 301—PROCEDURE AND ADMINISTRATION

Paragraph 1. The authority citation for part 301 is amended by adding an entry in numerical order to read, in part, as follows:

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

Sections 301.6103(p)(4)-1 and 301.6103(p)(7)-1T also issued under 26 U.S.C. 6103(p)(4) and (7) and (q), * * *

Par. 2. Section 301.6103(p)(4)-1T is added to read as follows:

§ 301.6103(p)(4)-1T Procedures relating to safeguards for returns or return information (temporary).

For security guidelines and other safeguards for protecting returns and return information, see guidance published by the Internal Revenue Service. For procedures for administrative review of a determination that an authorized recipient has failed to safeguard returns or return information, see §301.6103(p)(7)-1T.

Par. 3. Section 301.6103(p)(7)-1 is removed.

Par. 4. Section 301.6103(p)(7)-1T is added to read as follows:

§301.6103(p)(7)-1T Procedures for administrative review of a determination that an authorized recipient has failed to safeguard returns or return information (temporary).

(a) *In general.* Notwithstanding any section of the Internal Revenue Code, the Internal Revenue Service (IRS) may terminate or suspend disclosure of returns and return information to any authorized recip-

ient specified in subsection (p)(4) of section 6103, if the IRS makes a determination that:

(1) The authorized recipient has allowed an unauthorized inspection or disclosure of returns or return information and that the authorized recipient has not taken adequate corrective action to prevent the recurrence of an unauthorized inspection or disclosure, or

(2) The authorized recipient does not satisfactorily maintain the safeguards prescribed by section 6103(p)(4), and has made no adequate plan to improve its system to maintain the safeguards satisfactorily.

(b) *Notice of IRS's intention to terminate or suspend disclosure.* Prior to terminating or suspending authorized disclosures, the IRS will notify the authorized recipient in writing of the IRS's preliminary determination and of the IRS's intention to discontinue disclosure of returns and return information to the authorized recipient. Upon so notifying the authorized recipient, the IRS, if it determines that tax administration otherwise would be seriously impaired, may suspend further disclosures of returns and return information to the authorized recipient pending a final determination by the Commissioner or a Deputy Commissioner described in paragraph (d)(2) of this section.

(c) *Authorized recipient's right to appeal.* An authorized recipient shall have 30 days from the date of receipt of a notice described in paragraph (b) of this section to appeal the preliminary determination described in paragraph (b) of this section. The appeal shall be made directly to the Commissioner.

(d) *Procedures for administrative review.* (1) To appeal a preliminary determination described in paragraph (b) of this section, the authorized recipient shall send a written request for a conference to: Commissioner of Internal Revenue (Attention: SE:S:CLD:GLD), 1111 Constitution Avenue, NW, Washington, DC 20224. The request must include a complete description of the authorized recipient's present system of safeguarding returns or return information, as well as a complete description of its practices with respect to the inspection, disclosure, and use of the returns or return information it (including any authorized contractors or agents) receives under the Internal Revenue Code.

The request then must state the reason or reasons the authorized recipient believes that such system, or practice, including improvements, if any, to such system or practice expected to be made in the near future, is or will be adequate to safeguard returns or return information.

(2) Within 45 days of the receipt of the request made in accordance with the provisions of paragraph (d)(1) of this section, the Commissioner or Deputy Commissioner personally will hold a conference with representatives of the authorized recipient, after which the Commissioner or Deputy Commissioner will make a final determination with respect to the appeal.

(e) *Effective date.* This section is applicable to all authorized recipients of returns and return information that are subject to the safeguard requirements set forth in section 6103(p)(4) on or after February 23, 2006.

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

Approved February 11, 2006.

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

(Filed by the Office of the Federal Register on February 23, 2006, 8:45 a.m., and published in the issue of the Federal Register for February 24, 2006, 71 F.R. 9449)

Section 6231.—Definitions and Special Rules

(Also §§ 6221, 6222, 301.6221-1, 301.6231(a)(3)-1, and 301.6231(a)(5)-1.)

TEFRA partnership provisions; classification of items. This ruling provides that the tax treatment by an affiliated group on a consolidated return of the parent corporation's payment to a partnership, in which the parent is not a partner, is not a "partnership item" within the meaning of section 6231(a)(3) of the Code or an "affected item" within the meaning of section 6231(a)(5), even if another member of the group is a partner in the partnership.

Rev. Rul. 2006-11

ISSUE

Under the circumstances described below, is the deduction by a member of an affiliated group that files a consolidated return of a payment to a partnership in which the member is not a partner a "partnership item" within the meaning of § 6231(a)(3) or an "affected item" within the meaning of § 6231(a)(5)?

FACTS

P is the common parent of an affiliated group of corporations, including S, that files a consolidated return for the calendar year 2006. S is a partner in PRS, a partnership that also uses the calendar year as its taxable year. PRS is subject to the unified audit and litigation procedures set forth in §§ 6221 through 6234 of the Internal Revenue Code (TEFRA partnership procedures).

In 2006, P makes a payment to PRS in the ordinary course of P's business. The payment by P is not made in P's capacity as agent for the affiliated group under the consolidated return regulations; nor is the payment by P made on behalf of S. PRS treats the payment from P as income for services provided by PRS.

P deducts the payment on the group's 2006 consolidated return as a business expense. The Service determines that P's deduction should be disallowed because P's payment is actually a loan from P to PRS.

LAW

Section 6221 provides that, except as otherwise provided in §§ 6221 through 6234, the tax treatment of any partnership item (and the applicability of any penalty, addition to tax, or additional amount that relates to an adjustment to a partnership item) shall be determined at the partnership level.

Section 301.6221-1 of the Procedure and Administration Regulations provides that a partner's treatment of partnership items on the partner's return may not be changed except as provided in §§ 6222 through 6231 and the regulations thereunder. Thus, for example, if a partner treats an item on the partner's return consistently with the treatment of the item on the partnership's return, the IRS generally cannot

adjust the treatment of that item on the partner's return except through a partnership-level proceeding. Similarly, the partner may not put partnership items in issue in a proceeding relating to nonpartnership items.

Section 6222(a) provides that a partner shall, on the partner's return, treat a partnership item in a manner which is consistent with the treatment of such partnership item on the partnership return.

Section 6226(c)(1) provides that each person who was a partner at any time during the taxable year shall be treated as a party to an action under § 6226(a) or (b).

Section 6231(a)(2) provides that the term "partner" means (A) a partner in the partnership and (B) any other person whose tax liability under subtitle A is determined in whole or in part by taking into account directly or indirectly partnership items of the partnership. The corporate parent of a subsidiary C corporation is not a partner in a partnership merely because the subsidiary is a partner in that partnership. Section 301.6231(a)(2)-1(b). Each person who is jointly or severally liable for the income tax liability attributable to partnership items, however, is treated as a partner under § 6231(a)(2)(B) for purposes of determining the tax attributable to those partnership items. See, for example, section 1.1502-6, which generally provides that the common parent corporation and each subsidiary that was a member of the group during any part of the consolidated return year shall be severally liable for the tax for such year computed in accordance with the regulations under § 1502.

Section 6231(a)(3) provides that the term "partnership item" means, with respect to a partnership, any item required to be taken into account for the partnership's taxable year under any provision of subtitle A to the extent regulations prescribed by the Secretary provide that, for purposes of this subtitle, such item is more appropriately determined at the partnership level than at the partner level. Section 301.6231(a)(3)-1 provides a list of items that are more appropriately determined at the partnership level than at the partner level.

Section 6231(a)(4) provides that the term "nonpartnership item" means an item that is (or is treated as) not a partnership item.

Section 6231(a)(5) defines an "affected item" as any item to the extent the item is affected by a partnership item. Affected items are adjusted and assessed after the determination of partnership items. See §§ 301.6231(a)(5)-1 and 301.6231(a)(6)-1; *GAF v. Commissioner*, 114 T.C. 519 (2000) (affected item notices of deficiency cannot be issued until after the determination of partnership items). Affected items must be determined consistently with the prior determination of partnership items. *N.C.F. Energy Partners v. Commissioner*, 89 T.C. 741, 746-747 (1987). Generally, affected items have a partnership item component that subchapter K of the Code requires a member of the partnership to take into account in computing that member's tax liability. See section 702.

ANALYSIS

In the situation described above, each member of P's affiliated group that filed a consolidated return (including P) is severally liable for the tax for the 2006 consolidated return year. Section 1.1502-6(a). Thus, P is severally liable for the income tax liability attributable to partnership items that are allocated by PRS to S, including PRS's receipt of payments from P for services. Under § 6231(a)(2)(B), P is treated as a partner in PRS for purposes of the TEFRA partnership procedures.

The TEFRA partnership procedures only apply to the specific items that the partnership must determine under subtitle A of the Internal Revenue Code. Section 6231(a)(3). If the TEFRA partnership procedures apply, the definition of partner under § 6231(a)(2) may bring a person into a partnership proceeding, and bind that person to the outcome of the partnership proceeding with respect to those partnership items. Section 6226(c). It will also bind the partner to the direct flow-through effects of partnership item adjustments on other items on the partner's return, *i.e.*, "affected items."

If the TEFRA partnership procedures do not otherwise apply to the adjustment of an item, § 6231(a)(2)(B) does not operate to make that item subject to the TEFRA partnership procedures. Nor does § 6231(a)(2)(B) require that nonpartnership items that are not affected items be treated consistently with the partnership's

reporting of the items, or with the determination of partnership items. Thus, in the situation described above, P's deduction on the consolidated return for P's payment to PRS will not be subject to the TEFRA partnership procedures unless the deduction is a partnership item or an affected item.

P's deduction of the payment to PRS is not a partnership item, as defined in § 301.6231(a)(3)-1. P's status as a partner for purposes of section 6231(a)(2)(B) does not make P a partner in PRS for purposes of Subchapter K. Although the underlying facts and circumstances of the transaction between P and PRS should independently result in consistent treatment of the transaction by both PRS and P's affiliated group, nothing in subtitle A requires PRS to account for how P characterizes the transfer of the payment to PRS. Nor is P's deduction an affected item within the meaning of § 6231(a)(5). The manner in which PRS characterizes the *receipt* of the payment (whether as gross income for services or loan proceeds) is a separate item from, and does not affect, P's characterization of the *transfer* of the payment to PRS (whether as a business expense or as a loan). Although section 702 requires that P's affiliated group account for S's distributive share of the *receipt* of the payment from P to PRS, S's distributive share does not, in turn, "affect" the treatment of P's payment to PRS. Accordingly, P's deduction for its payment to PRS will not be subject to the TEFRA partnership procedures.

HOLDING

The tax treatment by a member of an affiliated group on a consolidated return of a payment to a partnership in which the member is not a partner is not a "partnership item" within the meaning of § 6231(a)(3) or an "affected item" within the meaning of § 6231(a)(5), even if another member of the group is a partner in the partnership.

DRAFTING INFORMATION

The principal author of this revenue ruling is William Heard of the Office of the Associate Chief Counsel (Procedure & Administration), Administrative Provisions and Judicial Practice Division. For

further information regarding this revenue ruling, contact Mr. Heard at (202) 622-7950 (not a toll-free call).

Section 6621.—Determination of Rate of Interest

26 CFR 301.6621-1: Interest rate.

Interest rates; underpayments and overpayments. The rate of interest determined under section 6621 of the Code for the calendar quarter beginning April 1, 2006, will be 7 percent for overpayments (6 percent in the case of a corporation), 7 percent for underpayments, and 9 percent for large corporate underpayments. The rate of interest paid on the portion of a corporate overpayment exceeding \$10,000 will be 4.5 percent.

Rev. Rul. 2006-12

Section 6621 of the Internal Revenue Code establishes the rates for interest on tax overpayments and tax underpayments. Under section 6621(a)(1), the overpayment rate is the sum of the federal short-term rate plus 3 percentage points (2 percentage points in the case of a corporation), except the rate for the portion of a corporate overpayment of tax exceeding \$10,000 for a taxable period is the sum of the federal short-term rate plus 0.5 of a percentage point for interest computations made after December 31, 1994. Under section 6621(a)(2), the underpayment rate is the sum of the federal short-term rate plus 3 percentage points.

Section 6621(c) provides that for purposes of interest payable under section 6601 on any large corporate underpayment, the underpayment rate under section 6621(a)(2) is determined by substituting

“5 percentage points” for “3 percentage points.” See section 6621(c) and section 301.6621-3 of the Regulations on Procedure and Administration for the definition of a large corporate underpayment and for the rules for determining the applicable date. Section 6621(c) and section 301.6621-3 are generally effective for periods after December 31, 1990.

Section 6621(b)(1) provides that the Secretary will determine the federal short-term rate for the first month in each calendar quarter.

Section 6621(b)(2)(A) provides that the federal short-term rate determined under section 6621(b)(1) for any month applies during the first calendar quarter beginning after such month.

Section 6621(b)(2)(B) provides that in determining the addition to tax under section 6654 for failure to pay estimated tax for any taxable year, the federal short-term rate that applies during the third month following such taxable year also applies during the first 15 days of the fourth month following such taxable year.

Section 6621(b)(3) provides that the federal short-term rate for any month is the federal short-term rate determined during such month by the Secretary in accordance with § 1274(d), rounded to the nearest full percent (or, if a multiple of 1/2 of 1 percent, the rate is increased to the next highest full percent).

Notice 88-59, 1988-1 C.B. 546, announced that, in determining the quarterly interest rates to be used for overpayments and underpayments of tax under section 6621, the Internal Revenue Service will use the federal short-term rate based on daily compounding because that rate is most consistent with section 6621 which, pursuant to section 6622, is subject to daily compounding.

Rounded to the nearest full percent, the federal short-term rate based on daily compounding determined during the month of January 2006 is 4 percent. Accordingly, an overpayment rate of 7 percent (6 percent in the case of a corporation) and an underpayment rate of 7 percent are established for the calendar quarter beginning April 1, 2006. The overpayment rate for the portion of a corporate overpayment exceeding \$10,000 for the calendar quarter beginning April 1, 2006, is 4.5 percent. The underpayment rate for large corporate underpayments for the calendar quarter beginning April 1, 2006, is 9 percent. These rates apply to amounts bearing interest during that calendar quarter.

Under section 6621(b)(2)(B), the 7 percent rate that applies to estimated tax underpayments for the first calendar quarter in 2006, as provided in Rev. Rul. 2005-78, 2005-51 I.R.B. 1157, also applies to such underpayments for the first 15 days in April 2006.

Interest factors for daily compound interest for annual rates of 4.5 percent, 6 percent, 7 percent, and 9 percent are published in Tables 14, 17, 19, and 23 of Rev. Proc. 95-17, 1995-1 C.B. 556, 568, 571, 573, and 577.

Annual interest rates to be compounded daily pursuant to section 6622 that apply for prior periods are set forth in the tables accompanying this revenue ruling.

DRAFTING INFORMATION

The principal author of this revenue ruling is Crystal Foster of the Office of Associate Chief Counsel (Procedure & Administration). For further information regarding this revenue ruling, contact Ms. Foster at (202) 622-7198 (not a toll-free call).

TABLE OF INTEREST RATES		
PERIODS BEFORE JUL. 1, 1975 — PERIODS ENDING DEC. 31, 1986		
OVERPAYMENTS AND UNDERPAYMENTS		
PERIOD	RATE	In 1995-1 C.B. DAILY RATE TABLE
Before Jul. 1, 1975	6%	Table 2, pg. 557
Jul. 1, 1975—Jan. 31, 1976	9%	Table 4, pg. 559
Feb. 1, 1976—Jan. 31, 1978	7%	Table 3, pg. 558
Feb. 1, 1978—Jan. 31, 1980	6%	Table 2, pg. 557
Feb. 1, 1980—Jan. 31, 1982	12%	Table 5, pg. 560

TABLE OF INTEREST RATES

PERIODS BEFORE JUL. 1, 1975 — PERIODS ENDING DEC. 31, 1986 – Continued

OVERPAYMENTS AND UNDERPAYMENTS

PERIOD	RATE	In 1995-1 C.B.
		DAILY RATE TABLE
Feb. 1, 1982—Dec. 31, 1982	20%	Table 6, pg. 560
Jan. 1, 1983—Jun. 30, 1983	16%	Table 37, pg. 591
Jul. 1, 1983—Dec. 31, 1983	11%	Table 27, pg. 581
Jan. 1, 1984—Jun. 30, 1984	11%	Table 75, pg. 629
Jul. 1, 1984—Dec. 31, 1984	11%	Table 75, pg. 629
Jan. 1, 1985—Jun. 30, 1985	13%	Table 31, pg. 585
Jul. 1, 1985—Dec. 31, 1985	11%	Table 27, pg. 581
Jan. 1, 1986—Jun. 30, 1986	10%	Table 25, pg. 579
Jul. 1, 1986—Dec. 31, 1986	9%	Table 23, pg. 577

TABLE OF INTEREST RATES

FROM JAN. 1, 1987 — Dec. 31, 1998

PERIOD	OVERPAYMENTS			UNDERPAYMENTS		
	1995-1 C.B.			1995-1 C.B.		
	RATE	TABLE	PG	RATE	TABLE	PG
Jan. 1, 1987—Mar. 31, 1987	8%	21	575	9%	23	577
Apr. 1, 1987—Jun. 30, 1987	8%	21	575	9%	23	577
Jul. 1, 1987—Sep. 30, 1987	8%	21	575	9%	23	577
Oct. 1, 1987—Dec. 31, 1987	9%	23	577	10%	25	579
Jan. 1, 1988—Mar. 31, 1988	10%	73	627	11%	75	629
Apr. 1, 1988—Jun. 30, 1988	9%	71	625	10%	73	627
Jul. 1, 1988—Sep. 30, 1988	9%	71	625	10%	73	627
Oct. 1, 1988—Dec. 31, 1988	10%	73	627	11%	75	629
Jan. 1, 1989—Mar. 31, 1989	10%	25	579	11%	27	581
Apr. 1, 1989—Jun. 30, 1989	11%	27	581	12%	29	583
Jul. 1, 1989—Sep. 30, 1989	11%	27	581	12%	29	583
Oct. 1, 1989—Dec. 31, 1989	10%	25	579	11%	27	581
Jan. 1, 1990—Mar. 31, 1990	10%	25	579	11%	27	581
Apr. 1, 1990—Jun. 30, 1990	10%	25	579	11%	27	581
Jul. 1, 1990—Sep. 30, 1990	10%	25	579	11%	27	581
Oct. 1, 1990—Dec. 31, 1990	10%	25	579	11%	27	581
Jan. 1, 1991—Mar. 31, 1991	10%	25	579	11%	27	581
Apr. 1, 1991—Jun. 30, 1991	9%	23	577	10%	25	579
Jul. 1, 1991—Sep. 30, 1991	9%	23	577	10%	25	579
Oct. 1, 1991—Dec. 31, 1991	9%	23	577	10%	25	579
Jan. 1, 1992—Mar. 31, 1992	8%	69	623	9%	71	625
Apr. 1, 1992—Jun. 30, 1992	7%	67	621	8%	69	623
Jul. 1, 1992—Sep. 30, 1992	7%	67	621	8%	69	623
Oct. 1, 1992—Dec. 31, 1992	6%	65	619	7%	67	621
Jan. 1, 1993—Mar. 31, 1993	6%	17	571	7%	19	573
Apr. 1, 1993—Jun. 30, 1993	6%	17	571	7%	19	573
Jul. 1, 1993—Sep. 30, 1993	6%	17	571	7%	19	573
Oct. 1, 1993—Dec. 31, 1993	6%	17	571	7%	19	573
Jan. 1, 1994—Mar. 31, 1994	6%	17	571	7%	19	573
Apr. 1, 1994—Jun. 30, 1994	6%	17	571	7%	19	573
Jul. 1, 1994—Sep. 30, 1994	7%	19	573	8%	21	575
Oct. 1, 1994—Dec. 31, 1994	8%	21	575	9%	23	577
Jan. 1, 1995—Mar. 31, 1995	8%	21	575	9%	23	577
Apr. 1, 1995—Jun. 30, 1995	9%	23	577	10%	25	579
Jul. 1, 1995—Sep. 30, 1995	8%	21	575	9%	23	577
Oct. 1, 1995—Dec. 31, 1995	8%	21	575	9%	23	577
Jan. 1, 1996—Mar. 31, 1996	8%	69	623	9%	71	625

TABLE OF INTEREST RATES
FROM JAN. 1, 1987 — Dec. 31, 1998 – Continued

	OVERPAYMENTS			UNDERPAYMENTS		
	1995-1 C.B.			1995-1 C.B.		
	RATE	TABLE	PG	RATE	TABLE	PG
Apr. 1, 1996—Jun. 30, 1996	7%	67	621	8%	69	623
Jul. 1, 1996—Sep. 30, 1996	8%	69	623	9%	71	625
Oct. 1, 1996—Dec. 31, 1996	8%	69	623	9%	71	625
Jan. 1, 1997—Mar. 31, 1997	8%	21	575	9%	23	577
Apr. 1, 1997—Jun. 30, 1997	8%	21	575	9%	23	577
Jul. 1, 1997—Sep. 30, 1997	8%	21	575	9%	23	577
Oct. 1, 1997—Dec. 31, 1997	8%	21	575	9%	23	577
Jan. 1, 1998—Mar. 31, 1998	8%	21	575	9%	23	577
Apr. 1, 1998—Jun. 30, 1998	7%	19	573	8%	21	575
Jul. 1, 1998—Sep. 30, 1998	7%	19	573	8%	21	575
Oct. 1, 1998—Dec. 31, 1998	7%	19	573	8%	21	575

TABLE OF INTEREST RATES
FROM JANUARY 1, 1999 — PRESENT
NONCORPORATE OVERPAYMENTS AND UNDERPAYMENTS

	RATE	1995-1 C.B.	PAGE
		TABLE	
Jan. 1, 1999—Mar. 31, 1999	7%	19	573
Apr. 1, 1999—Jun. 30, 1999	8%	21	575
Jul. 1, 1999—Sep. 30, 1999	8%	21	575
Oct. 1, 1999—Dec. 31, 1999	8%	21	575
Jan. 1, 2000—Mar. 31, 2000	8%	69	623
Apr. 1, 2000—Jun. 30, 2000	9%	71	625
Jul. 1, 2000—Sep. 30, 2000	9%	71	625
Oct. 1, 2000—Dec. 31, 2000	9%	71	625
Jan. 1, 2001—Mar. 31, 2001	9%	23	577
Apr. 1, 2001—Jun. 30, 2001	8%	21	575
Jul. 1, 2001—Sep. 30, 2001	7%	19	573
Oct. 1, 2001—Dec. 31, 2001	7%	19	573
Jan. 1, 2002—Mar. 31, 2002	6%	17	571
Apr. 1, 2002—Jun. 30, 2002	6%	17	571
Jul. 1, 2002—Sep. 30, 2002	6%	17	571
Oct. 1, 2002—Dec. 31, 2002	6%	17	571
Jan. 1, 2003—Mar. 31, 2003	5%	15	569
Apr. 1, 2003—Jun. 30, 2003	5%	15	569
Jul. 1, 2003—Sep. 30, 2003	5%	15	569
Oct. 1, 2003—Dec. 31, 2003	4%	13	567
Jan. 1, 2004—Mar. 31, 2004	4%	61	615
Apr. 1, 2004—Jun. 30, 2004	5%	63	617
Jul. 1, 2004—Sep. 30, 2004	4%	61	615
Oct. 1, 2004—Dec. 31, 2004	5%	63	617
Jan. 1, 2005—Mar. 31, 2005	5%	15	569
Apr. 1, 2005—Jun. 30, 2005	6%	17	571
Jul. 1, 2005—Sep. 30, 2005	6%	17	571
Oct. 1, 2005—Dec. 31, 2005	7%	19	573
Jan. 1, 2006—Mar. 31, 2006	7%	19	573
Apr. 1, 2006—Jun. 30, 2006	7%	19	573

TABLE OF INTEREST RATES
FROM JANUARY 1, 1999 — PRESENT
CORPORATE OVERPAYMENTS AND UNDERPAYMENTS

	OVERPAYMENTS			UNDERPAYMENTS		
	1995-1 C.B.			1995-1 C.B.		
	RATE	TABLE	PG	RATE	TABLE	PG
Jan. 1, 1999—Mar. 31, 1999	6%	17	571	7%	19	573
Apr. 1, 1999—Jun. 30, 1999	7%	19	573	8%	21	575
Jul. 1, 1999—Sep. 30, 1999	7%	19	573	8%	21	575
Oct. 1, 1999—Dec. 31, 1999	7%	19	573	8%	21	575
Jan. 1, 2000—Mar. 31, 2000	7%	67	621	8%	69	623
Apr. 1, 2000—Jun. 30, 2000	8%	69	623	9%	71	625
Jul. 1, 2000—Sep. 30, 2000	8%	69	623	9%	71	625
Oct. 1, 2000—Dec. 31, 2000	8%	69	623	9%	71	625
Jan. 1, 2001—Mar. 31, 2001	8%	21	575	9%	23	577
Apr. 1, 2001—Jun. 30, 2001	7%	19	573	8%	21	575
Jul. 1, 2001—Sep. 30, 2001	6%	17	571	7%	19	573
Oct. 1, 2001—Dec. 31, 2001	6%	17	571	7%	19	573
Jan. 1, 2002—Mar. 31, 2002	5%	15	569	6%	17	571
Apr. 1, 2002—Jun. 30, 2002	5%	15	569	6%	17	571
Jul. 1, 2002—Sep. 30, 2002	5%	15	569	6%	17	571
Oct. 1, 2002—Dec. 31, 2002	5%	15	569	6%	17	571
Jan. 1, 2003—Mar. 31, 2003	4%	13	567	5%	15	569
Apr. 1, 2003—Jun. 30, 2003	4%	13	567	5%	15	569
Jul. 1, 2003—Sep. 30, 2003	4%	13	567	5%	15	569
Oct. 1, 2003—Dec. 31, 2003	3%	11	565	4%	13	567
Jan. 1, 2004—Mar. 31, 2004	3%	59	613	4%	61	615
Apr. 1, 2004—Jun. 30, 2004	4%	61	615	5%	63	617
Jul. 1, 2004—Sep. 30, 2004	3%	59	613	4%	61	615
Oct. 1, 2004—Dec. 31, 2004	4%	61	615	5%	63	617
Jan. 1, 2005—Mar. 31, 2005	4%	13	567	5%	15	569
Apr. 1, 2005—Jun. 30, 2005	5%	15	569	6%	17	571
Jul. 1, 2005—Sep. 30, 2005	5%	15	569	6%	17	571
Oct. 1, 2005—Dec. 31, 2005	6%	17	571	7%	19	573
Jan. 1, 2006—Mar. 31, 2006	6%	17	571	7%	19	573
Apr. 1, 2006—Jun. 30, 2006	6%	17	571	7%	19	573

TABLE OF INTEREST RATES FOR
LARGE CORPORATE UNDERPAYMENTS
FROM JANUARY 1, 1991 — PRESENT

	RATE	1995-1 C.B.	
		TABLE	PG
Jan. 1, 1991—Mar. 31, 1991	13%	31	585
Apr. 1, 1991—Jun. 30, 1991	12%	29	583
Jul. 1, 1991—Sep. 30, 1991	12%	29	583
Oct. 1, 1991—Dec. 31, 1991	12%	29	583
Jan. 1, 1992—Mar. 31, 1992	11%	75	629
Apr. 1, 1992—Jun. 30, 1992	10%	73	627
Jul. 1, 1992—Sep. 30, 1992	10%	73	627
Oct. 1, 1992—Dec. 31, 1992	9%	71	625
Jan. 1, 1993—Mar. 31, 1993	9%	23	577
Apr. 1, 1993—Jun. 30, 1993	9%	23	577
Jul. 1, 1993—Sep. 30, 1993	9%	23	577
Oct. 1, 1993—Dec. 31, 1993	9%	23	577
Jan. 1, 1994—Mar. 31, 1994	9%	23	577
Apr. 1, 1994—Jun. 30, 1994	9%	23	577

TABLE OF INTEREST RATES FOR
LARGE CORPORATE UNDERPAYMENTS
FROM JANUARY 1, 1991 — PRESENT — Continued

	RATE	1995-1 C.B. TABLE	PG
Jul. 1, 1994—Sep. 30, 1994	10%	25	579
Oct. 1, 1994—Dec. 31, 1994	11%	27	581
Jan. 1, 1995—Mar. 31, 1995	11%	27	581
Apr. 1, 1995—Jun. 30, 1995	12%	29	583
Jul. 1, 1995—Sep. 30, 1995	11%	27	581
Oct. 1, 1995—Dec. 31, 1995	11%	27	581
Jan. 1, 1996—Mar. 31, 1996	11%	75	629
Apr. 1, 1996—Jun. 30, 1996	10%	73	627
Jul. 1, 1996—Sep. 30, 1996	11%	75	629
Oct. 1, 1996—Dec. 31, 1996	11%	75	629
Jan. 1, 1997—Mar. 31, 1997	11%	27	581
Apr. 1, 1997—Jun. 30, 1997	11%	27	581
Jul. 1, 1997—Sep. 30, 1997	11%	27	581
Oct. 1, 1997—Dec. 31, 1997	11%	27	581
Jan. 1, 1998—Mar. 31, 1998	11%	27	581
Apr. 1, 1998—Jun. 30, 1998	10%	25	579
Jul. 1, 1998—Sep. 30, 1998	10%	25	579
Oct. 1, 1998—Dec. 31, 1998	10%	25	579
Jan. 1, 1999—Mar. 31, 1999	9%	23	577
Apr. 1, 1999—Jun. 30, 1999	10%	25	579
Jul. 1, 1999—Sep. 30, 1999	10%	25	579
Oct. 1, 1999—Dec. 31, 1999	10%	25	579
Jan. 1, 2000—Mar. 31, 2000	10%	73	627
Apr. 1, 2000—Jun. 30, 2000	11%	75	629
Jul. 1, 2000—Sep. 30, 2000	11%	75	629
Oct. 1, 2000—Dec. 31, 2000	11%	75	629
Jan. 1, 2001—Mar. 31, 2001	11%	27	581
Apr. 1, 2001—Jun. 30, 2001	10%	25	579
Jul. 1, 2001—Sep. 30, 2001	9%	23	577
Oct. 1, 2001—Dec. 31, 2001	9%	23	577
Jan. 1, 2002—Mar. 31, 2002	8%	21	575
Apr. 1, 2002—Jun. 30, 2002	8%	21	575
Jul. 1, 2002—Sep. 30, 2002	8%	21	575
Oct. 1, 2002—Dec. 31, 2002	8%	21	575
Jan. 1, 2003—Mar. 31, 2003	7%	19	573
Apr. 1, 2003—Jun. 30, 2003	7%	19	573
Jul. 1, 2003—Sep. 30, 2003	7%	19	573
Oct. 1, 2003—Dec. 31, 2003	6%	17	571
Jan. 1, 2004—Mar. 31, 2004	6%	65	619
Apr. 1, 2004—Jun. 30, 2004	7%	67	621
Jul. 1, 2004—Sep. 30, 2004	6%	65	619
Oct. 1, 2004—Dec. 31, 2004	7%	67	621
Jan. 1, 2005—Mar. 31, 2005	7%	19	573
Apr. 1, 2005—Jun. 30, 2005	8%	21	575
Jul. 1, 2005—Sep. 30, 2005	8%	21	575
Oct. 1, 2005—Dec. 31, 2005	9%	23	577
Jan. 1, 2006—Mar. 31, 2006	9%	23	577
Apr. 1, 2006—Jun. 30, 2006	9%	23	577

TABLE OF INTEREST RATES FOR CORPORATE
OVERPAYMENTS EXCEEDING \$10,000
FROM JANUARY 1, 1995 — PRESENT

	RATE	1995-1 C.B. TABLE	PG
Jan. 1, 1995—Mar. 31, 1995	6.5%	18	572
Apr. 1, 1995—Jun. 30, 1995	7.5%	20	574
Jul. 1, 1995—Sep. 30, 1995	6.5%	18	572
Oct. 1, 1995—Dec. 31, 1995	6.5%	18	572
Jan. 1, 1996—Mar. 31, 1996	6.5%	66	620
Apr. 1, 1996—Jun. 30, 1996	5.5%	64	618
Jul. 1, 1996—Sep. 30, 1996	6.5%	66	620
Oct. 1, 1996—Dec. 31, 1996	6.5%	66	620
Jan. 1, 1997—Mar. 31, 1997	6.5%	18	572
Apr. 1, 1997—Jun. 30, 1997	6.5%	18	572
Jul. 1, 1997—Sep. 30, 1997	6.5%	18	572
Oct. 1, 1997—Dec. 31, 1997	6.5%	18	572
Jan. 1, 1998—Mar. 31, 1998	6.5%	18	572
Apr. 1, 1998—Jun. 30, 1998	5.5%	16	570
Jul. 1, 1998—Sep. 30, 1998	5.5%	16	570
Oct. 1, 1998—Dec. 31, 1998	5.5%	16	570
Jan. 1, 1999—Mar. 31, 1999	4.5%	14	568
Apr. 1, 1999—Jun. 30, 1999	5.5%	16	570
Jul. 1, 1999—Sep. 30, 1999	5.5%	16	570
Oct. 1, 1999—Dec. 31, 1999	5.5%	16	570
Jan. 1, 2000—Mar. 31, 2000	5.5%	64	618
Apr. 1, 2000—Jun. 30, 2000	6.5%	66	620
Jul. 1, 2000—Sep. 30, 2000	6.5%	66	620
Oct. 1, 2000—Dec. 31, 2000	6.5%	66	620
Jan. 1, 2001—Mar. 31, 2001	6.5%	18	572
Apr. 1, 2001—Jun. 30, 2001	5.5%	16	570
Jul. 1, 2001—Sep. 30, 2001	4.5%	14	568
Oct. 1, 2001—Dec. 31, 2001	4.5%	14	568
Jan. 1, 2002—Mar. 31, 2002	3.5%	12	566
Apr. 1, 2002—Jun. 30, 2002	3.5%	12	566
Jul. 1, 2002—Sep. 30, 2002	3.5%	12	566
Oct. 1, 2002—Dec. 31, 2002	3.5%	12	566
Jan. 1, 2003—Mar. 31, 2003	2.5%	10	564
Apr. 1, 2003—Jun. 30, 2003	2.5%	10	564
Jul. 1, 2003—Sep. 30, 2003	2.5%	10	564
Oct. 1, 2003—Dec. 31, 2003	1.5%	8	562
Jan. 1, 2004—Mar. 31, 2004	1.5%	56	610
Apr. 1, 2004—Jun. 30, 2004	2.5%	58	612
Jul. 1, 2004—Sep. 30, 2004	1.5%	56	610
Oct. 1, 2004—Dec. 31, 2004	2.5%	58	612
Jan. 1, 2005—Mar. 31, 2005	2.5%	10	564
Apr. 1, 2005—Jun. 30, 2005	3.5%	12	566
Jul. 1, 2005—Sep. 30, 2005	3.5%	12	566
Oct. 1, 2005—Dec. 31, 2005	4.5%	14	568
Jan. 1, 2006—Mar. 31, 2006	4.5%	14	568
Apr. 1, 2006—Jun. 30, 2006	4.5%	14	568

Part III. Administrative, Procedural, and Miscellaneous

GO Zone Resident Population Estimates

Notice 2006–21

This notice informs the states of Alabama, Louisiana, and Mississippi of their state population portion in the Gulf Opportunity Zone (GO Zone) to determine the (1) Gulf Opportunity housing amount under § 1400N(c)(1)(B) of the Internal Revenue Code, and (2) maximum aggregate face amount of qualified Gulf Opportunity Zone Bonds (GO Zone Bonds) under § 1400N(a)(3) of the Code.

BACKGROUND

The Gulf Opportunity Zone Act of 2005 (P. L. 109–135, 119 Stat. 25) (GOZA) added § 1400M and § 1400N to the Code to provide certain tax benefits to those areas affected by Hurricanes Katrina, Wilma, and Rita. Section 1400M(1) defines the GO Zone as that portion of the Hurricane Katrina disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act [Stafford Act] by reason of Hurricane Katrina. Section 1400M(2) defines the term “Hurricane Katrina disaster area” as an area with respect to which a major disaster has been declared by the President before September 14, 2005, under section 401 of the Stafford Act by reason of Hurricane Katrina. The Federal Emergency Management Agency (FEMA) has identified those counties and parishes in Alabama, Louisiana, and Mississippi that warrant individual or individual and public assistance resulting from Hurricane Katrina. These counties and parishes are: **Alabama**— Baldwin, Chocktaw, Clarke, Greene, Hale, Marengo, Mobile, Pickens, Sumter, Tuscaloosa, and Washington. **Louisiana**— Acadia, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Iberia, Iberville,

Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge and West Feliciana.

Mississippi— Adams, Amite, Attala, Choctaw, Claiborne, Clarke, Copiah, Covington, Forrest, Franklin, George, Greene, Hancock, Harrison, Hinds, Holmes, Humphreys, Jackson, Jasper, Jefferson, Jefferson Davis, Jones, Kemper, Lamar, Lauderdale, Lawrence, Leake, Lincoln, Lowndes, Madison, Marion, Neshoba, Newton, Noxubee, Oktibbeha, Pearl River, Perry, Pike, Rankin, Scott, Simpson, Smith, Stone, Walthall, Warren, Wayne, Wilkinson, Winston and Yazoo.

Additional Housing Credit Amount

Section 1400N(c)(1)(A) provides that, for purposes of § 42, in the case of calendar years 2006, 2007, and 2008, the State housing credit ceiling of each State, any portion of which is located in the GO Zone, shall be increased by the lesser of—

(i) the aggregate housing credit dollar amount allocated by the State housing credit agency of such State to buildings located in the GO Zone for such calendar year, or

(ii) the Gulf Opportunity housing amount for such State for such calendar year. Section 1400N(c)(1)(B) defines the term “Gulf Opportunity housing amount” to mean, for any calendar year, the amount equal to the product of \$18.00 multiplied by the portion of the State population which is in the GO Zone (as determined on the basis of the most recent census estimate of resident population released by the Bureau of the Census before August 28, 2005). The Gulf Opportunity housing amount is not adjusted for inflation. Only Alabama, Louisiana, and Mississippi have state population located in the GO Zone

and thus qualify for the Gulf Opportunity housing amount.

GO Zone Bond Amount

Section 1400N(a)(1) provides that any GO Zone Bond may be treated as either an exempt facility bond or qualified mortgage bond. Section 1400N(a)(3)(A) provides that the maximum aggregate face amount of bonds that may be designated as GO Zone Bonds for any State shall not exceed the product of \$2,500 multiplied by the portion of the State population that is in the GO Zone (as determined on the basis of the most recent census estimate of resident population released by the Bureau of the Census before August 28, 2005). Section 1400N(a)(2)(B) provides that a GO Zone Bond can only be issued by the state of Alabama, Louisiana, Mississippi, or any political subdivision thereof. Section 1400N(a)(2)(D) provides that a GO Zone bond must be issued after December 21, 2005, and before January 1, 2011.

PORTRION OF STATE POPULATION IN GO ZONE

The most recent census estimate of the resident population released by the U.S. Census Bureau before August 28, 2005, that reflects the portion of state population that is in the GO Zone is the July 1, 2004, Annual Estimates of the Population for Counties released by the U.S. Census Bureau on April 14, 2005, in Press Release CB05–51. The portion of each state’s population that is in the GO Zone is determined by adding together the population estimate provided by CB05–51 for each county and parish located in the GO Zone for that state. The results are used to determine each state’s Gulf Opportunity housing amount under § 1400N(c)(1)(B) and the maximum aggregate face amount of bonds that may be designated as GO Zone Bonds under § 1400N(a)(3)(A). Each state’s total portion is provided below:

Portion of State Population in Go Zone

Alabama	869,544
Louisiana	3,153,293
Mississippi	1,968,283

The principal authors of this notice are Christopher J. Wilson, Office of the Associate Chief Counsel (Passthroughs and Special Industries) and Timothy L. Jones, Office of the Division Counsel/Associate Chief Counsel (Tax-Exempt and Government Entities). For further information regarding this notice, contact Mr. Wilson at (202) 622-3040 (not a toll-free call).

Guidance Regarding Reporting for WHFITs

Notice 2006-29

SECTION 1. PURPOSE

This notice informs taxpayers of amendments that will be made to the final regulations under § 1.671-5 (Reporting Requirements for Widely Held Fixed Investment Trusts (WHFITs)), published in the Federal Register (T.D. 9241, 2006-7 I.R.B. 427 [71 FR 4002]) on January 24, 2006, regarding certain reporting rules for non-mortgage widely held fixed investment trusts (NMWHFITs). Until amendments reflecting these changes are issued, taxpayers may rely on this notice.

SECTION 2. THE QUALIFIED NMWHFIT EXCEPTION

The final regulations under § 1.671-5 provide that if a NMWHFIT satisfies the qualified NMWHFIT exception in § 1.671-5(c)(2)(iv)(E), trustees and middlemen of those trusts are excepted from specific reporting requirements regarding market discount, bond premium, sales and dispositions, redemptions, and sales of trust interests. Section 1.671-5(c)(2)(iv)(E) provides that the qualified NMWHFIT exception is satisfied if a NMWHFIT has a start-up date that is before February 23, 2006, and the calendar year for which the trustee is reporting begins before January 1, 2011. Section 1.671-5(b)(19) defines a WHFIT's start-up date as the date on which substantially all of the assets have been deposited with the trustee of the WHFIT.

Since the issuance of the § 1.671-5 final regulations, a number of comments have been received requesting that the definition of start-up date be clarified with re-

spect to the qualified NMWHFIT exception and that the qualified NMWHFIT exception be extended to NMWHFITs created a certain period of time on or after February 23, 2006.

In response, the Treasury Department and the Internal Revenue Service intend to amend § 1.671-5(c)(2)(iv)(E) to provide that if, prior to February 23, 2006, both: (1) the registration statement of a NMWHFIT becomes effective under the Securities Act of 1933, as amended (15 U.S.C. 77a, *et seq.*); and (2) trust interests are offered for sale to the public, the NMWHFIT will be considered to have a start-up date that satisfies the qualified NMWHFIT exception. Section 1.671-5(c)(2)(iv)(E) will also be amended to provide that if, on or after February 23, 2006 and before June 1, 2006, both: (1) the registration statement of the NMWHFIT becomes effective under the Securities Act of 1933; and (2) trust interests are offered for sale to the public, the NMWHFIT will be considered to have a start-up date that satisfies the qualified NMWHFIT exception, provided that the NMWHFIT is fully funded before August 1, 2006.

SECTION 3. ELIGIBILITY FOR THE NMWHFIT SAFE HARBOR AND SIMPLIFIED REPORTING FOR EQUITY TRUSTS UPON THE SALE OF A TRUST INTEREST

Section 1.671-5(f)(1)(i) provides that if substantially all of a NMWHFIT's income is from dividends (as defined in § 6042(b) and the regulations thereunder) or interest (as defined in § 6049(b) and the regulations thereunder) and all trust interests have identical value and rights, a NMWHFIT may report under the safe harbor in § 1.671-5(f). Section 1.671-5(c)(2)(v)(C) provides that a NMWHFIT is eligible for simplified reporting on the sale of a trust interest by a trust interest holder if substantially all of the income of the NMWHFIT consists of dividends and: (1) the trustee is required by the governing document of the NMWHFIT to make distributions of all cash (less reasonably required reserve funds) held by the NMWHFIT no less frequently than monthly; or (2) the qualified NMWHFIT exception is satisfied.

Commentators have requested clarification regarding whether trust sales

proceeds received by a NMWHFIT will make the NMWHFIT ineligible for the safe harbor reporting rules in § 1.671-5(f) and the simplified reporting rules for sales of trust interests for equity trusts in § 1.671-5(c)(2)(v)(C). Commentators also noted the reference to § 6049(b) in § 1.671-5(f)(1)(i)(I) and that the definition of interest in § 6049(b) does not include interest that is exempt from tax under § 103 of the Internal Revenue Code. These commentators were concerned that if a NMWHFIT's income is from tax-exempt interest, the NMWHFIT would not be eligible to report under the NMWHFIT safe harbor reporting rules.

In response, the Service and the Treasury Department intend to amend § 1.671-5(f)(1)(i) to provide that trust sales proceeds received by the NMWHFIT, in addition to dividends and interest, will not cause the NMWHFIT to become ineligible for the NMWHFIT safe harbor in § 1.671-5(f). In addition, to address commentators' concerns regarding NMWHFITs whose income is from tax-exempt interest, § 1.671-5(f)(1)(i)(I) will be corrected to remove the references to § 6042(b) and § 6049(b) and the regulations thereunder. Section 1.671-5(c)(2)(v)(C) will be amended to provide that trust sales proceeds received by the NMWHFIT in addition to dividend income will not cause an equity trust to be ineligible for the simplified reporting regarding sales of trust interests in § 1.671-5(c)(2)(v)(C).

SECTION 4. EFFECTIVE DATE

The effective date for amended § 1.671-5(c)(2)(iv)(E), § 1.671-5(c)(2)(v)(C) and § 1.671-5(f)(1)(i) will be the date of publication of those amendments in the Federal Register. Taxpayers, however, may apply those amendments as of January 24, 2006.

SECTION 5. DRAFTING INFORMATION

The principal author of this notice is Faith P. Colson of the Office of Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice, contact Faith P. Colson at (202) 622-3060 (not a toll-free call).

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.
(Also: Part I, §§ 280F; 1.280F-7.)

Rev. Proc. 2006-18

SECTION 1. PURPOSE

01. This revenue procedure provides: (1) limitations on depreciation deductions for owners of passenger automobiles first placed in service by the taxpayer during calendar year 2006, including special tables of limitations on depreciation deductions for trucks and vans, and for passenger automobiles designed to be propelled primarily by electricity and built by an original equipment manufacturer (electric automobiles); and (2) the amounts to be included in income by lessees of passenger automobiles first leased by the taxpayer during calendar year 2006, including a separate table of inclusion amounts for lessees of trucks and vans, and a separate table for lessees of electric automobiles.

02. The tables detailing these depreciation limitations and lessee inclusion amounts reflect the automobile price inflation adjustments required by § 280F(d)(7).

SECTION 2. BACKGROUND

01. For owners of passenger automobiles, § 280F(a) imposes dollar limitations on the depreciation deduction for the year that the passenger automobile is placed in service by the taxpayer and each succeeding year. In the case of electric automobiles placed in service after August 5, 1997, and before January 1, 2007, § 280F(a)(1)(C) requires tripling of these limitation amounts. Section 280F(d)(7) requires the amounts allowable as depreciation deductions to be increased by a price inflation adjustment amount for passenger automobiles placed in service after 1988. The method of calculating this price inflation amount for trucks and vans placed in service in or after calendar year 2003 uses a different CPI “automobile component” (the “new trucks” component) than that used in the price inflation amount calculation for other passenger automobiles (the “new cars” component), resulting in somewhat higher depreciation deductions for trucks and vans. This change reflects the higher rate of price

inflation that trucks and vans have been subject to since 1988. For purposes of this revenue procedure, the term “trucks and vans” refers to passenger automobiles that are built on a truck chassis, including minivans and sport utility vehicles (SUVs) that are built on a truck chassis.

02. For leased passenger automobiles, § 280F(c) requires a reduction in the deduction allowed to the lessee of the passenger automobile. The reduction must be substantially equivalent to the limitations on the depreciation deductions imposed on owners of passenger automobiles. Under § 1.280F-7(a), this reduction requires the lessees to include in gross income an inclusion amount determined by applying a formula to the amount obtained from a table. There is a table for lessees of electric automobiles, a table for lessees of trucks and vans, and a table for all other passenger automobiles. Each table shows inclusion amounts for a range of fair market values for each tax year after the passenger automobile is first leased.

SECTION 3. SCOPE

01. The limitations on depreciation deductions in section 4.02(2) of this revenue procedure apply to passenger automobiles (other than leased passenger automobiles) that are placed in service by the taxpayer in calendar year 2006, and continue to apply for each tax year that the passenger automobile remains in service.

02. The tables in section 4.03 of this revenue procedure apply to leased passenger automobiles for which the lease term begins during calendar year 2006. Lessees of such passenger automobiles must use these tables to determine the inclusion amount for each tax year during which the passenger automobile is leased. See Rev. Proc. 2002-14, 2002-1 C.B. 450, for passenger automobiles first leased before January 1, 2003, Rev. Proc. 2003-75, 2003-2 C.B. 1018, for passenger automobiles first leased during calendar year 2003, Rev. Proc. 2004-20, 2004-1 C.B. 642, for passenger automobiles first leased during calendar year 2004, and Rev. Proc. 2005-13, 2005-1 C.B. 759, for passenger automobiles first leased during calendar year 2005.

SECTION 4. APPLICATION

01. In General.

(1) Limitations on Depreciation Deductions for Certain Automobiles. The limitations on depreciation deductions for passenger automobiles placed in service by the taxpayer for the first time during calendar year 2006 are found in Tables 1 through 3 in section 4.02(2) of this revenue procedure. Table 1 of this revenue procedure provides limitations on depreciation deductions for a passenger automobile. Table 2 of this revenue procedure provides limitations on depreciation deductions for a truck or van. Table 3 of this revenue procedure provides limitations on depreciation deductions for an electric automobile.

(2) Inclusions in Income of Lessees of Passenger Automobiles. A taxpayer first leasing a passenger automobile during calendar year 2006 must determine the inclusion amount that is added to gross income using the tables in section 4.03 of this revenue procedure. The inclusion amount is determined using Table 4 in the case of a passenger automobile (other than a truck, van, or electric automobile), Table 5 in the case of a truck or van, and Table 6 in the case of an electric automobile. In addition, the procedures of § 1.280F-7(a) must be followed.

02. Limitations on Depreciation Deductions for Certain Automobiles.

(1) Amount of the Inflation Adjustment. Under § 280F(d)(7)(B)(i), the automobile price inflation adjustment for any calendar year is the percentage (if any) by which the CPI automobile component for October of the preceding calendar year exceeds the CPI automobile component for October 1987. The term “CPI automobile component” is defined in § 280F(d)(7)(B)(ii) as the “automobile component” of the Consumer Price Index for all Urban Consumers published by the Department of Labor (the CPI). The new car component of the CPI was 115.2 for October 1987 and 135.1 for October 2005. The October 2005 index exceeded the October 1987 index by 19.9. The Service has, therefore, determined that the automobile price inflation adjustment for 2006 for passenger automobiles (other than trucks and vans) is 17.27 percent (19.9/115.2 x 100%). This adjustment is applicable to all passenger automobiles (other than trucks and vans) that are first placed in

service in calendar year 2006. The dollar limitations in § 280F(a) must therefore be multiplied by a factor of 0.1727, and the resulting increases, after rounding to the nearest \$100, are added to the 1988 limitations to give the depreciation limitations applicable to passenger automobiles (other than trucks, vans, and electric automobiles) for calendar year 2006. To determine the dollar limitations applicable to an electric automobile first placed in service during calendar year 2006, the dollar limitations in § 280F(a) are tripled in accordance with § 280F(a)(1)(C) and are then multiplied by a factor of 0.1727; the resulting increases, after rounding to the nearest \$100, are added to the tripled 1988 limitations to give the depreciation limita-

tions for calendar year 2006. To determine the dollar limitations applicable to trucks and vans first placed in service during calendar year 2006, the new truck component of the CPI is used instead of the new car component. The new truck component of the CPI was 112.4 for October 1987 and 143.6 for October 2005. The October 2005 index exceeded the October 1987 index by 31.2. The Service has, therefore, determined that the automobile price inflation adjustment for 2006 for trucks and vans is 27.76 percent ($31.2/112.4 \times 100\%$). This adjustment is applicable to all trucks and vans that are first placed in service in calendar year 2006. The dollar limitations in § 280F(a) must therefore be multiplied by a factor of 0.2776, and the

resulting increases, after rounding to the nearest \$100, are added to the 1988 limitations to give the depreciation limitations applicable to trucks and vans.

(2) Amount of the Limitation. For passenger automobiles placed in service by the taxpayer in calendar year 2006, Tables 1 through 3 contain the dollar amount of the depreciation limitation for each tax year. Use Table 1 for passenger automobiles placed in service by the taxpayer in calendar year 2006. Use Table 2 for trucks and vans placed in service by the taxpayer in calendar year 2006. Use Table 3 for electric automobiles placed in service by the taxpayer in calendar year 2006.

REV. PROC. 2006-18 TABLE 1

DEPRECIATION LIMITATIONS FOR PASSENGER AUTOMOBILES
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2006

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$2,960
2nd Tax Year	\$4,800
3rd Tax Year	\$2,850
Each Succeeding Year	\$1,775

REV. PROC. 2006-18 TABLE 2

DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2006

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$3,260
2nd Tax Year	\$5,200
3rd Tax Year	\$3,150
Each Succeeding Year	\$1,875

REV. PROC. 2006-18 TABLE 3

DEPRECIATION LIMITATIONS FOR ELECTRIC AUTOMOBILES
PLACED IN SERVICE BY THE TAXPAYER DURING CALENDAR YEAR 2006

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$8,980
2nd Tax Year	\$14,400
3rd Tax Year	\$8,650
Each Succeeding Year	\$5,225

03. Inclusions in Income of Lessees of Passenger Automobiles.

The inclusion amounts for passenger automobiles first leased in calendar year 2006 are calculated under the procedures

described in § 1.280F-7(a). Lessees of passenger automobiles other than trucks, vans, and electric automobiles should use Table 4 of this revenue procedure in applying these procedures, while lessees of

trucks and vans should use Table 5 of this revenue procedure and lessees of electric automobiles should use Table 6 of this revenue procedure.

REV. PROC. 2006-18 TABLE 4						
DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES (THAT ARE NOT TRUCKS, VANS, OR ELECTRIC AUTOMOBILES) WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2006						
Fair Market Value of Passenger Automobile		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th & later
\$15,200	\$15,500	4	6	10	10	10
15,500	15,800	6	10	16	18	18
15,800	16,100	8	15	22	25	28
16,100	16,400	9	19	29	33	36
16,400	16,700	11	24	35	40	45
16,700	17,000	13	28	42	48	53
17,000	17,500	16	34	50	58	66
17,500	18,000	19	41	61	71	80
18,000	18,500	23	48	71	84	95
18,500	19,000	26	55	82	96	110
19,000	19,500	29	62	93	109	125
19,500	20,000	32	70	103	122	139
20,000	20,500	36	76	114	135	154
20,500	21,000	39	84	124	148	168
21,000	21,500	42	91	135	160	184
21,500	22,000	45	98	146	173	198
22,000	23,000	50	109	162	192	220
23,000	24,000	57	123	183	218	250
24,000	25,000	63	138	204	243	279
25,000	26,000	70	152	225	269	309
26,000	27,000	76	166	247	294	339
27,000	28,000	83	181	268	319	368
28,000	29,000	90	195	289	345	397
29,000	30,000	96	209	311	371	426
30,000	31,000	103	223	332	397	455
31,000	32,000	109	238	353	422	485
32,000	33,000	116	252	374	448	515
33,000	34,000	122	267	395	473	545
34,000	35,000	129	281	417	498	574
35,000	36,000	135	295	439	523	604
36,000	37,000	142	309	460	549	633
37,000	38,000	148	324	481	575	662
38,000	39,000	155	338	502	601	691
39,000	40,000	161	353	523	626	721
40,000	41,000	168	367	545	651	750
41,000	42,000	175	381	566	677	780
42,000	43,000	181	396	587	702	810
43,000	44,000	188	410	608	728	839
44,000	45,000	194	424	630	753	869
45,000	46,000	201	438	651	779	898
46,000	47,000	207	453	672	805	927
47,000	48,000	214	467	694	830	956
48,000	49,000	220	482	715	855	986
49,000	50,000	227	496	736	881	1,016
50,000	51,000	233	510	758	906	1,045
51,000	52,000	240	525	778	932	1,075

REV. PROC. 2006-18 TABLE 4

DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES
(THAT ARE NOT TRUCKS, VANS, OR ELECTRIC AUTOMOBILES)
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2006

Fair Market Value of Passenger Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th & later
Over	Not Over					
52,000	53,000	246	539	800	958	1,104
53,000	54,000	253	553	821	984	1,133
54,000	55,000	259	568	842	1,009	1,163
55,000	56,000	266	582	864	1,034	1,192
56,000	57,000	273	596	885	1,060	1,221
57,000	58,000	279	611	906	1,085	1,251
58,000	59,000	286	625	927	1,111	1,281
59,000	60,000	292	639	949	1,136	1,311
60,000	62,000	302	661	981	1,174	1,354
62,000	64,000	315	690	1,023	1,225	1,413
64,000	66,000	328	718	1,066	1,276	1,473
66,000	68,000	341	747	1,108	1,328	1,531
68,000	70,000	354	776	1,151	1,378	1,590
70,000	72,000	367	804	1,194	1,429	1,649
72,000	74,000	380	833	1,236	1,481	1,707
74,000	76,000	393	862	1,278	1,532	1,767
76,000	78,000	407	890	1,321	1,583	1,825
78,000	80,000	420	919	1,363	1,634	1,884
80,000	85,000	443	969	1,438	1,723	1,987
85,000	90,000	475	1,041	1,544	1,851	2,135
90,000	95,000	508	1,112	1,651	1,978	2,282
95,000	100,000	541	1,184	1,757	2,106	2,429
100,000	110,000	590	1,291	1,917	2,297	2,650
110,000	120,000	655	1,435	2,130	2,552	2,944
120,000	130,000	720	1,579	2,342	2,807	3,239
130,000	140,000	786	1,722	2,555	3,062	3,534
140,000	150,000	851	1,865	2,768	3,317	3,829
150,000	160,000	916	2,009	2,980	3,573	4,123
160,000	170,000	982	2,152	3,193	3,828	4,417
170,000	180,000	1,047	2,295	3,406	4,083	4,712
180,000	190,000	1,112	2,439	3,619	4,337	5,007
190,000	200,000	1,178	2,582	3,832	4,592	5,301
200,000	210,000	1,243	2,726	4,044	4,848	5,595
210,000	220,000	1,309	2,869	4,257	5,103	5,890
220,000	230,000	1,374	3,012	4,470	5,358	6,185
230,000	240,000	1,439	3,156	4,682	5,613	6,480
240,000	and up	1,505	3,299	4,895	5,868	6,774

REV. PROC. 2006-18 TABLE 5

DOLLAR AMOUNTS FOR TRUCKS AND VANS
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2006

Fair Market Value of Truck or Van		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and later
Over	Not Over					
\$16,700	\$17,000	4	8	12	14	16
17,000	17,500	6	14	20	24	29
17,500	18,000	9	21	31	37	43
18,000	18,500	13	28	42	49	58
18,500	19,000	16	36	52	62	72
19,000	19,500	19	43	63	75	87
19,500	20,000	23	50	73	88	102
20,000	20,500	26	57	84	101	116
20,500	21,000	29	64	95	113	131
21,000	21,500	32	72	105	126	146
21,500	22,000	36	78	116	139	161
22,000	23,000	41	89	132	158	183
23,000	24,000	47	104	153	183	213
24,000	25,000	54	118	174	209	242
25,000	26,000	60	132	196	235	271
26,000	27,000	67	146	217	261	300
27,000	28,000	73	161	238	286	330
28,000	29,000	80	175	260	311	359
29,000	30,000	86	190	281	336	389
30,000	31,000	93	204	302	362	418
31,000	32,000	99	219	323	388	447
32,000	33,000	106	233	344	413	478
33,000	34,000	112	247	366	439	506
34,000	35,000	119	261	387	465	536
35,000	36,000	125	276	408	490	566
36,000	37,000	132	290	430	515	595
37,000	38,000	139	304	451	541	624
38,000	39,000	145	319	472	566	654
39,000	40,000	152	333	493	592	684
40,000	41,000	158	347	515	618	712
41,000	42,000	165	362	536	642	743
42,000	43,000	171	376	557	669	772
43,000	44,000	178	390	579	694	801
44,000	45,000	184	405	600	719	831
45,000	46,000	191	419	621	745	860
46,000	47,000	197	434	642	770	890
47,000	48,000	204	448	663	796	919
48,000	49,000	210	462	685	822	948
49,000	50,000	217	476	707	847	977
50,000	51,000	224	490	728	872	1,008
51,000	52,000	230	505	749	898	1,037
52,000	53,000	237	519	770	924	1,066
53,000	54,000	243	534	791	949	1,096
54,000	55,000	250	548	813	974	1,125
55,000	56,000	256	563	833	1,000	1,155
56,000	57,000	263	577	855	1,025	1,184
57,000	58,000	269	591	877	1,051	1,213
58,000	59,000	276	605	898	1,077	1,243
59,000	60,000	282	620	919	1,102	1,272
60,000	62,000	292	641	951	1,141	1,316
62,000	64,000	305	670	994	1,191	1,375
64,000	66,000	318	699	1,036	1,242	1,435
66,000	68,000	331	728	1,078	1,293	1,494
68,000	70,000	344	756	1,121	1,345	1,552
70,000	72,000	358	784	1,164	1,395	1,612

REV. PROC. 2006-18 TABLE 5

DOLLAR AMOUNTS FOR TRUCKS AND VANS
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2006

Fair Market Value of Truck or Van		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th and later
72,000	74,000	371	813	1,206	1,447	1,670
74,000	76,000	384	842	1,249	1,497	1,729
76,000	78,000	397	871	1,291	1,548	1,788
78,000	80,000	410	899	1,334	1,600	1,846
80,000	85,000	433	949	1,409	1,688	1,950
85,000	90,000	465	1,021	1,515	1,816	2,098
90,000	95,000	498	1,093	1,621	1,944	2,244
95,000	100,000	531	1,164	1,728	2,071	2,392
100,000	110,000	580	1,272	1,887	2,263	2,612
110,000	120,000	645	1,416	2,099	2,518	2,907
120,000	130,000	711	1,559	2,312	2,773	3,202
130,000	140,000	776	1,702	2,525	3,028	3,497
140,000	150,000	841	1,846	2,738	3,283	3,791
150,000	160,000	907	1,989	2,950	3,539	4,085
160,000	170,000	972	2,132	3,164	3,793	4,380
170,000	180,000	1,037	2,276	3,376	4,049	4,674
180,000	190,000	1,103	2,419	3,589	4,303	4,969
190,000	200,000	1,168	2,563	3,801	4,559	5,263
200,000	210,000	1,233	2,706	4,015	4,813	5,558
210,000	220,000	1,299	2,849	4,227	5,069	5,853
220,000	230,000	1,364	2,993	4,440	5,324	6,147
230,000	240,000	1,430	3,136	4,652	5,580	6,441
240,000	and up	1,495	3,279	4,866	5,834	6,736

REV. PROC. 2006-18 TABLE 6

DOLLAR AMOUNTS FOR ELECTRIC AUTOMOBILES
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2006

Fair Market Value of Electric Automobile		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th and later
\$45,000	\$46,000	4	8	11	12	12
46,000	47,000	10	22	33	37	42
47,000	48,000	17	36	54	63	72
48,000	49,000	24	51	74	89	101
49,000	50,000	30	65	96	114	131
50,000	51,000	37	79	118	139	160
51,000	52,000	43	94	139	165	189
52,000	53,000	50	108	160	190	219
53,000	54,000	56	123	181	216	248
54,000	55,000	63	137	202	242	277
55,000	56,000	69	151	224	267	307
56,000	57,000	76	165	245	293	337
57,000	58,000	82	180	266	318	367
58,000	59,000	89	194	288	343	396
59,000	60,000	95	209	309	369	425
60,000	62,000	105	230	341	407	470
62,000	64,000	118	259	383	459	528
64,000	66,000	131	288	425	510	587
66,000	68,000	144	316	469	560	646
68,000	70,000	158	345	510	612	705
70,000	72,000	171	373	554	662	764
72,000	74,000	184	402	596	713	823

REV. PROC. 2006-18 TABLE 6

DOLLAR AMOUNTS FOR ELECTRIC AUTOMOBILES
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2006

Fair Market Value of Electric Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th and later
Over	Not Over					
74,000	76,000	197	431	638	765	881
76,000	78,000	210	459	682	815	940
78,000	80,000	223	488	724	866	1,000
80,000	85,000	246	538	798	956	1,103
85,000	90,000	278	610	905	1,083	1,250
90,000	95,000	311	682	1,011	1,211	1,397
95,000	100,000	344	753	1,118	1,338	1,544
100,000	110,000	393	861	1,277	1,529	1,766
110,000	120,000	458	1,004	1,490	1,785	2,060
120,000	130,000	524	1,147	1,703	2,040	2,354
130,000	140,000	589	1,291	1,915	2,295	2,649
140,000	150,000	654	1,435	2,127	2,551	2,943
150,000	160,000	720	1,578	2,340	2,806	3,237
160,000	170,000	785	1,721	2,553	3,061	3,532
170,000	180,000	850	1,865	2,766	3,315	3,827
180,000	190,000	916	2,008	2,979	3,570	4,122
190,000	200,000	981	2,151	3,192	3,826	4,416
200,000	210,000	1,046	2,295	3,404	4,081	4,711
210,000	220,000	1,112	2,438	3,617	4,336	5,005
220,000	230,000	1,177	2,581	3,830	4,591	5,300
230,000	240,000	1,243	2,725	4,042	4,846	5,594
240,000	and up	1,308	2,868	4,255	5,102	5,888

SECTION 5. EFFECTIVE DATE

This revenue procedure applies to passenger automobiles (other than leased passenger automobiles) that are first placed in service by the taxpayer during calendar year 2006, and to leased passenger automobiles that are first leased by the taxpayer during calendar year 2006.

SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Bernard P. Harvey of the Office of Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding the depreciation limitations and lessee inclusion

amounts in this revenue procedure, contact Bernard P. Harvey at (202) 622-3110 (not a toll-free call).

Part IV. Items of General Interest

Notice of Proposed Rulemaking by Cross-Reference to Temporary Regulations

Procedures for Administrative Review of a Determination That an Authorized Recipient Has Failed to Safeguard Tax Returns or Return Information

REG-157271-05

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. 9252) regarding administrative review procedures for certain government agencies and other authorized recipients of tax returns or return information (authorized recipients) whose receipt of returns and return information may be suspended or terminated because they do not maintain proper safeguards. The temporary regulations provide guidance to responsible IRS personnel and authorized recipients as to these administrative procedures. The text of the temporary regulations published in this issue of the Bulletin serves as the text of the proposed regulations.

DATES: Written and electronic comments and requests for a public hearing must be received by May 25, 2006.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-157271-05), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-157271-05), 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 eRulemaking Por-

tal at www.regulations.gov (IRS and REG-157271-05).

FOR FURTHER INFORMATION CONTACT: Concerning submission of comments, Treena Garrett, (202) 622-7180; concerning the temporary regulations, Melinda K. Fisher, (202) 622-4580 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

Under section 6103 of the Internal Revenue Code (Code), tax returns and return information are protected from disclosure except in specifically enumerated circumstances. Where disclosure is permitted, section 6103 generally imposes strict safeguarding requirements and requires the IRS to monitor and enforce compliance with those requirements. Section 6103(p)(7) requires the Secretary of the Treasury to prescribe procedures providing for administrative review of any determination under section 6103(p)(4) that an agency, body, or commission receiving returns or return information pursuant to section 6103(d) has failed to meet the safeguarding requirements. Withdrawn §301.6103(p)(7)-1 set forth the procedures for terminating future disclosures to these authorized recipients. These proposed regulations provide the intermediate review and termination procedures for all authorized recipients identified in section 6103(p)(4).

With an increasing volume of authorized disclosures of returns and return information, it is critical that authorized recipients of returns and return information adhere to the strict safeguard requirements of the Code and that the IRS take all necessary steps to ensure that those requirements are met. If unauthorized disclosures do occur, it is similarly important that the IRS take steps to address them and ensure that they are not repeated. Such steps include, as appropriate, suspension or termination of further disclosures to an authorized recipient. Nevertheless, because the authority to receive returns and return information is provided by law, authorized disclosures should not be suspended

or terminated for failure to maintain adequate safeguards without appropriate administrative review procedures. The temporary regulations set forth procedures to ensure that authorized recipients provide the proper security and protection to returns and return information.

Temporary regulations in this issue of the Bulletin amend the Procedure and Administration Regulations (26 CFR Part 301) relating to section 6103(p)(4) and (p)(7). The temporary regulations provide the intermediate review and termination procedures for all authorized recipients.

The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the 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. Pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6), it is hereby certified that these regulations will not have a significant economic impact on a substantial number of small businesses. These regulations do not impose burdens or obligations on any person, but instead provide certain rights of administrative review. Accordingly, a regulatory flexibility analysis is not required. Pursuant to section 7805(f) of the Code, these proposed regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any electronic and written comments (a signed original and eight (8) copies) that are submitted timely to the IRS. The IRS and Treasury Department specifically request comments on the clarity of the proposed regulations and how they can be made easier to understand. All

comments will be available for public inspection and copying. A public hearing may be scheduled if requested in writing by a 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 Melinda K. Fisher, Office of the Associate Chief Counsel (Procedure & Administration), Disclosure and Privacy Law Division.

* * * * *

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 301 is proposed to be amended as follows:

PART 301—PROCEDURE AND ADMINISTRATION

Paragraph 1. The authority citation for part 301 is amended, in part, by adding an entry in numerical order to read as follows:

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

Sections 301.6103(p)(4)-1 and 301.6103(p)(7)-1 also issued under 26 U.S.C. 6103(p)(4) and (7) and (q); * * *

Par. 2. Section 301.6103(p)(4)-1 is added to read as follows:

§ 301.6103(p)(4)-1T Procedures relating to safeguards for returns or return information.

[The text of proposed § 301.6103(p)(4)-1 is the same as the text of § 301.6103(p)(4)-1T published elsewhere in this issue of the Bulletin].

Par. 3. Section 301.6103(p)(7)-1 is added to read as follows:

§301.6103(p)(7)-1 Procedures for administrative review of a determination that an authorized recipient has failed to safeguard tax returns or return information.

[The text of proposed §301.6103(p)(7)-1 is the same as the text of §301.6103(p)(7)-1T 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 February 23, 2006, 8:45 a.m., and published in the issue of the Federal Register for February 24, 2006, 71 F.R. 9487)

Withdrawal of Notice of Proposed Rulemaking Regarding Excise Taxes; Definition of Highway Vehicle Announcement 2006-16

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of notice of proposed rulemaking.

SUMMARY: This document withdraws a proposed regulation relating to the definition of a highway vehicle for purposes of various excise taxes. The withdrawal affects vehicle manufacturers, dealers, and lessors; tire manufacturers; sellers and buyers of certain motor fuels; and operators of heavy highway vehicles.

FOR FURTHER INFORMATION CONTACT: Barbara Franklin, (202) 662-3130 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On June 6, 2002, a notice of proposed rulemaking was published in the Federal Register (REG-103829-99, 2002-2 C.B. 59 [67 FR 38913]). A public hearing was held on February 27, 2003. This notice of proposed rulemaking proposed amending the definition of "highway vehicle" for purposes of the Highway Use Tax Regulations (26 CFR part 41), the Manufacturers and Retailers Excise Tax Regulations (26 CFR part 48), and the Temporary Excise Tax Regulations Under the Highway Revenue Act of 1982 (Pub. L. 97-424) (26 CFR part 145).

Sections 851 and 852 of the American Jobs Creation Act of 2004 (Pub. L. 108-357) addressed the issues raised in the proposed regulation. Thus, the proposed regulation is unnecessary.

* * * * *

Withdrawal of Notice of Proposed Rulemaking

Accordingly, under the authority of 26 U.S.C. 7805, the notice of proposed rulemaking (REG-103829-99) that was published in the Federal Register on June 6, 2002 (67 FR 38913), is withdrawn.

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

(Filed by the Office of the Federal Register on August 11, 2005, 8:45 a.m., and published in the issue of the Federal Register for August 12, 2005, 70 F.R. 47160)

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

Announcement 2006-17

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

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

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on March 20, 2006,

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.

John A. Hyman Memorial
Youth Foundation
Warrenton, NC

Foundations Status of Certain Organizations

Announcement 2006–18

The following organizations have failed to establish or have been unable to maintain their status as public charities or as operating foundations. Accordingly, grantors and contributors may not, after this date, rely on previous rulings or designations in the Cumulative List of Organizations (Publication 78), or on the presumption arising from the filing of notices under section 508(b) of the Code. This listing does *not* indicate that the organizations have lost their status as organizations described in section 501(c)(3), eligible to receive deductible contributions.

Former Public Charities. The following organizations (which have been treated as organizations that are not private foundations described in section 509(a) of the Code) are now classified as private foundations:

AG Heritage Park, Incorporated,
Alta Vista, KS
Alabama Chapter of Safari Club
International, Inc., McCalla, AL
American Breast Feeding Institute, Inc.,
East Sandwich, MA
American Principles Foundation,
Washington, DC
Animal Recovery Foundation - Animal
Rehabilitation Fund, Cranston, RI
Animal Rights Enforcement Corp.,
New York, NY
Arch Plaza, Inc., Miami Beach, FL
Awakening Foundation, Beaverton, OR

Baba Dilip Singh Hospital Corporation,
Pittsburgh, PA
Barbara H. Halpern Foundation for
Women and Children, Bergenfield, NJ
Bucks County Amateur Radio Emergency
Service, Warminster, PA
By Faith Experience Ministries, Inc.,
Jacksonville, FL
C S Foundation, Inc., Keithville, LA
C. W. Golden Foundation, Inc.,
Fayetteville, GA
Casablanca American School Foundation
c/o CT Corporation, Wilmington, DE
Cesar A. Padilla Messianic Ministries,
Inc., Warner Robins, GA
Center for Active Video Education,
Bethesda, MD
Charley One Air Search & Rescue,
Bassfield, MS
Christian Camping, Inc., Clermont, IA
Church Land Foundation Corp.,
Frisco, TX
Circle of Life Farm & Rescue,
Central Islip, NY
Citizens for Classical FM, Denver, CO
Community Counts, Santa Monica, CA
Community Focused Development
Corporation, Saint Louis, MO
CRT-Campaign for Responsible
Transplantation, Inc., New York, NY
Dallas Tax Assistance Program,
Dallas, TX
David G. Joyner Ministries,
Bakersfield, CA
Denise Smith Ministries, Inc.,
Southport, NC
Detroit Summer Finance Program, Inc.,
Detroit, MI
Digital Bridge Learning Resource Center,
Inc., Sun City Center, FL
Donna Potter Ministries, Inc.,
Kingfisher, OK
Donnas Day Care & Learning Center,
San Bernardino, CA
E.W. Willheart Educational Foundation,
Inc., Atlanta, GA
East West Academic Business and
Cultural Council, New York, NY
Employment Education Performance
Improvement, Inc., San Bernardino, CA
Fathers House Association, Chicago, IL
Fishers of Men, Inc., Alto, GA
Frank T. Fair Foundation, Blue Bell, PA
FSASE Scholarship Foundation, Inc.,
Tallahassee, FL
Fun Foundation, Koloa, HI
Galena Park Boxing Academy & Youth
Center, Inc., Galena Park, TX
Glastonbury Interfaith Association, Inc.,
Glastonbury, CT
Great Praise Outreach, Inc., Mobile, AL
Greentrust Alliance, Inc., Cherry Hill, NJ
Helping Hands International,
Los Angeles, CA
High Tech Imaging, Inc., Los Angeles, CA
Hillsborough Historical Society,
Hillsborough, CA
Hingham Shipyard Historical Foundation,
Hingham, MA
Household of Faith Ministries, Inc.,
Sandy Hook, KY
Housing Redevelopment & Rentals, Inc.,
St. Petersburg, FL
Human Development Center, Inc.,
Milwaukee, WI
Independent Thinking & New Media
Foundation Corp., New York, NY
Inn Ovations for Humanity,
New Orleans, LA
Institute for Ministry Law & Ethics,
Salt Lake City, UT
Institute of One, Waianae, HI
Islamic Society & MASJID, Napa, CA
Jacksonville Education Foundation, Inc.,
Jacksonville, AR
Joseph G. Cirillo Memorial Scholarship
Fund, Havertown, PA
Kleiner Foundation, Dunn Loring, VA
Knox Area Youth Recreation Ministries,
Inc., Knoxville, TN
Knox Hope Community Development
Corporation, Baltimore, MD
L A C E Foundation, NUEVO, CA
Lee Community Services, Antioch, CA
Lewis Street Housing Development Fund
Company, Inc., Buffalo, NY
Liberty Charitable Foundation, Inc.,
Bainbridge, GA
Liberty Greys Military and Civilian
Society, Whitman, MA
Lord and His Children Outreach Ministry,
Chicago, IL
Maritime Shoshone, Inc., Moss Beach, CA
MEDIA Internship Program,
San Francisco, CA
Memorable Moments Wishes and Youth
Services, Inc., Birmingham, AL
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Miami-Cass County Freedom Bound
Wildlife Rehabilitation Center, Inc.,
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Mommys Breathing Space, Seattle, WA
Moonvine Consortium, Harrisburg, AR
Moses Udebiuwa Memorial Foundation,
Davidsonville, MD

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 Network of Believers, Poulsbo, WA
 New Jersey Turn District of the American Turners, Mahwah, NJ
 New York Menopause Foundation, New York, NY
 Newton County Adult Education, Inc., Morocco, IN
 North Carolina Athletic Council, Durham, NC
 Oakland Morh-I Tenants Association, Oakland, CA
 Ombudsmen to Promote Government Integrity, Alamo, CA
 Pendleton House Association, Elizabeth City, NC
 Prayer Time Ministries, Atlanta, GA
 Project Arizona Civic Education, Tucson, AZ
 Project Matthew, Carrollton, TX
 Project SOS, Inc., Linden, AL
 Re-Compute Org., Omaha, NE
 Red Sand Foundation, Incorporated, Ridgewood, NJ
 Red Sea Mission, Inc., Lancaster, SC
 Renewal Housing Foundation, San Jose, CA
 Resource Conservation and Information Institute, Inc., Weiser, ID
 Rethinking Aids the Group for the Scientific Reappraisal of the HIV, Oakland, CA
 Rhema Community Development, Chicago, IL
 RNIB America, Inc., Washington, DC
 Rudy Kachmann Behavior Foundation, Inc., Fort Wayne, IN
 Safe Haven Family Restoration, Inc., Savannah, GA
 Sapio Institute, Chesterbrook, PA
 SBS Basketball Foundation, Gilbert, AZ
 Scott Ferguson Ministries, Inc., Cleveland, GA
 Scott Foundation, Inc., Scott, MS
 S.D. Ireland Cancer Research Fund, Inc., South Burlington, VT
 Sequoia Presidential Yacht Foundation, Washington, DC
 Shannon House, Inc., Baltimore, MD
 Sigma Chi Beta Epsilon Educational Foundation, Inc., Salt Lake City, UT
 Social Humane Appreciation Relief Project Community Development and Betterment Corporation, Miami, FL
 Southern Friendship Community Development Corporation, Inc., Temple Hills, MD
 Spaulding Paolozzi Foundation, Charleston, SC
 Supreme Designs, Inc., Los Banos, CA
 Surviving Artists, Inc., Memphis, TN
 Telios, Inc., Charleston, SC
 Tennessee Business Roundtable Foundation, Nashville, TN
 Tony Betten Family Foundation, Grand Rapids, MI
 Truth in Research Foundation, Foster City, CA
 U-Start, Inc., Schenectady, NY
 Universal Cancer Foundation, Inc., Springhill, FL
 Valley of the Sun Boys and Girls Club, Scottsdale, AZ
 Vigil Enterprises, Albuquerque, NM
 Webster Area Soccer Association, Webster, SD
 Westwood Children's Center, Inc., Houston, TX
 Whatever ICD, New York, NY
 Williams Economic Development, Inc., Ocala, FL
 Willis Demery Community Development Corporation, New Orleans, LA
 Willow Brook Institute of International Relations, Inc., Bethesda, MD
 Willowbrook-Champions Figure Skating, Houston, TX
 Wisdom Village, Alameda, CA
 Y Entrepreneurial Society, Inc., New Haven, CT
 Youth Fitness and Education Association, Alexandria, VA

If an organization listed above submits information that warrants the renewal of its classification as a public charity or as a private operating foundation, the Internal Revenue Service will issue a ruling or determination letter with the revised classification as to foundation status. Grantors and contributors may thereafter rely upon such ruling or determination letter as provided in section 1.509(a)-7 of the Income Tax Regulations. It is not the practice of the Service to announce such revised classification of foundation status in the Internal Revenue Bulletin.

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 2005–27 through 2005–52 is in Internal Revenue Bulletin 2005–52, dated December 27, 2005.

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¹ A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2005–27 through 2005–52 is in Internal Revenue Bulletin 2005–52, dated December 27, 2005.