Internal Revenue
bulletin

Bulletin No. 2007-47
November 19, 2007

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

Ct. D. 2084, page 1032.

Abatement; interest accruals; federal income taxes. The Supreme Court holds that the Tax Court provides the exclusive forum for judicial review of failure to abate interest under section 6404(e)(1).

T.D. 9361, page 1026.

Final regulations under section 368 of the Code amend regulations sections 1.368–1(d), 1.368–2(f) and 1.368–2(k) concerning the tax treatment of post-reorganization transfers of assets or stock of a party to the reorganization.

REG–134923–07, page 1037.

Proposed regulations under section 31 U.S.C. 9701 implement new user fees for the initial and renewed enrollment to become an enrolled actuary. The new user fees established by the regulations reflect the IRS's costs of overseeing the initial enrollment and renewal of enrollment processes. The regulations establish a $250 user fee for initial enrollment and a $250 user fee for renewal of enrollment. A public hearing is scheduled for November 26, 2007.

EXEMPT ORGANIZATIONS

Announcement 2007–108, page 1044.

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

EMPLOYMENT TAX

Notice 2007–92, page 1036.

2008 social security contribution and benefit base; domestic employee coverage threshold. The Commissioner of the Social Security Administration has announced (1) the OASDI contribution and benefit base for remuneration paid in 2008 and self-employment income earned in taxable years beginning in 2008, and (2) the domestic employee coverage threshold amount for 2008.

ADMINISTRATIVE

Ct. D. 2084, page 1032.

Abatement; interest accruals; federal income taxes. The Supreme Court holds that the Tax Court provides the exclusive forum for judicial review of failure to abate interest under section 6404(e)(1).

Announcement 2007–109, page 1045.

This document contains corrections to proposed regulations (REG–107592–00, 2007–44 I.R.B. 908) and withdrawal of proposed regulations (REG–105964–98) providing guidance regarding the treatment of transactions involving obligations between members of a consolidated group and the treatment of transactions involving the provision of insurance between members of a consolidated group. These regulations will affect corporations filing consolidated returns.

Announcements of Disbarments and Suspensions begin on page 1039.
Finding Lists begin on page ii.

Department of the Treasury
Internal Revenue Service

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.

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 368.—Definitions Relating to Corporate Reorganizations

26 CFR 1.368–1: Purpose and scope of exception of reorganization exchanges.

T.D. 9361

DEPARTMENT OF THE TREASURY
Internal Revenue Service
26 CFR Part 1

Corporate Reorganizations; Transfers of Assets or Stock Following a Reorganization

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations that provide guidance regarding the effect of certain transfers of assets or stock on the continuing qualification of transactions as reorganizations under section 368(a). This document also contains final regulations that provide guidance on the continuity of business enterprise requirement and the definitions of "qualified group" and "party to a reorganization." These regulations affect corporations and their shareholders.

DATES: *Effective Date:* These regulations are effective October 25, 2007.

Applicability Date: For dates of applicability, see §§1.368–1(d)(4)(iv), 1.368–1(d)(5), 1.368–2(f), 1.368–2(j)(3)(iv), and 1.368–2(k)(3).

FOR FURTHER INFORMATION CONTACT: Mary W. Lyons, at (202) 622–7930 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On August 18, 2004, the IRS and Treasury Department published a notice of proposed rulemaking (REG–130863–04, 2004–2 C.B. 538) in the **Federal Register** (69 FR 51209) proposing regulations that would provide guidance regarding the effect of certain transfers of assets or stock on the qualification of a transaction as a reorganization under section 368(a) (the proposed regulations). The proposed regulations also included amendments to the continuity of business enterprise (COBE) regulations under §1.368–1(d) and the definition of a "party to a reorganization" under §1.368–2(f). The proposed regulations replaced an earlier proposal, dated March 2, 2004 (REG–165579–02, 2004–1 C.B. 651) and published in the **Federal Register** (69 FR 9771), which was withdrawn. No public hearing regarding the proposed regulations was requested or held. However, a number of comments were received, the most significant of which are discussed in this preamble.

The theory underlying the tax-free treatment afforded reorganizations described in section 368 is that such transactions "effect only a readjustment of continuing interest in property under modified corporate forms." See §1.368–1(b). The continuity of interest and continuity of business enterprise requirements are expressions of this principle. Earlier cases also implemented this principle through a concept that later became known as the prohibition of "remote" continuity of interest. Commonly viewed as arising out of the Supreme Court decisions in *Groman v. Commissioner*, 302 U.S. 82 (1937), and *Helvering v. Bashford*, 302 U.S. 454 (1938), remote continuity of interest focuses on the link between the former target corporation (T) shareholders and the T business assets following the reorganization.

Since the Supreme Court's decisions in *Groman* and *Bashford*, it has been recognized that other transactions, including transactions involving the same level of "remoteness" as addressed in the *Groman* and *Bashford* decisions, adequately preserve the link between the former T shareholders and the T business assets and therefore constitute mere readjustments of continuing interests. Accordingly, legislative, regulatory, and administrative developments have provided significantly more flexibility regarding transfers of stock and assets following otherwise tax-free reorganizations where this link is adequately maintained. For example, Congress enacted section 368(a)(2)(D) to expressly allow a triangular reorganization by permitting a controlled subsidiary to use its parent's stock as consideration in a merger. Similarly, the term "party to a reorganization" was broadened to include the parent in such a case.

In addition, Congress enacted section 368(a)(2)(C), which provides that a transaction otherwise qualifying under section 368(a)(1)(A), (B), (C), or (G) (where the requirements of section 354(b) are met) is not disqualified where part or all of the acquired assets or stock is transferred to a corporation that is controlled (as defined in section 368(c)) by the acquiring corporation. Section 1.368–2(k), as in effect prior to these final regulations, expanded the scope of section 368(a)(2)(C) by permitting successive transfers of the acquired assets or stock to one or more corporations, provided that the transferee corporation was controlled in each transfer by the transferor corporation. Administratively, the IRS and Treasury Department have since interpreted section 368(a)(2)(C) and §1.368–2(k) as permissive rather than exclusive or restrictive, concluding that certain transfers not specifically described in either of those provisions did not disqualify the reorganization. See Rev. Rul. 2001–24, 2001–1 C.B. 1290, permitting the transfer of acquiring subsidiary stock to a controlled subsidiary following a reorganization described in section 368(a)(1)(A) by reason of (a)(2)(D), and Rev. Rul. 2002–85, 2002–2 C.B. 986, permitting the transfer of acquired assets to a controlled subsidiary following a reorganization described in section 368(a)(1)(D).

The current regulations do not contain separate rules addressing remote continuity because the IRS and Treasury Department believe that these issues are adequately addressed by the rules adopted to implement the continuity of business enterprise requirement. See T.D. 8760, 1998–1 C.B. 803 [63 FR 4174]. Similarly, the rules relating to the continuity of business enterprise requirement have been broadened over the years to permit transactions that adequately preserve the link

between the former T shareholders and the T business assets. Under §1.368–1(d), as in effect prior to these final regulations, the COBE requirement generally is satisfied as long as a member of the qualified group (or, in certain cases, a partnership) either continues T's historic business or uses a significant portion of T's historic business assets in a business. A *qualified group* is defined in §1.368–1(d)(4)(ii), as in effect prior to these final regulations, as one or more chains of corporations connected through stock ownership with the issuing corporation, but only if the issuing corporation owns directly stock meeting the requirements of section 368(c) in at least one of the corporations, and stock meeting the requirements of section 368(c) in each of the corporations (other than the issuing corporation) is owned directly by one of the other corporations.

These final regulations continue the trend of broadening the rules regarding transfers of assets or stock following an otherwise tax-free reorganization where the transaction adequately preserves the link between the former T shareholders and the T business assets. Accordingly, the definition of a "qualified group" in §1.368–1(d)(4)(ii) and the rules regarding stock or asset transfers in §1.368–2(k) have been expanded. Conforming changes to §1.368–2(f), relating to the definition of "a party to a reorganization," also have been made.

A. *Continuity of Business Enterprise (COBE) Regulations*

Several commentators urged that the definition of "qualified group" under §1.368–1(d)(4)(ii) should not be restricted by the control requirement of section 368(c), but rather should be expanded to parallel the definition of an affiliated group under section 1504(a). The IRS and Treasury Department have declined to make this change, primarily because the section 368(c) definition of control is a major structural component underlying the statutory framework of the reorganization provisions. On the other hand, the IRS and Treasury Department have concluded that it is consistent with reorganization policy to expand the definition of a qualified group. Specifically, §1.368–1(d)(4)(ii), as revised by this Treasury decision, permits qualified group members to aggregate their direct stock ownership of a corporation in determining whether they own the requisite section 368(c) control in such corporation (provided that the issuing corporation owns directly stock meeting such control requirement in at least one other corporation). This aggregation concept is similar to the one found in section 1504(a). The IRS and Treasury Department believe that aggregating stock ownership within the qualified group adequately preserves the link between the former T shareholders and the T business assets while further facilitating the post-acquisition relocation of assets and stock as necessary within the group.

Finally, as discussed in section B.3. of this preamble, and in response to comments, the COBE regulations have been expanded to provide that if members of the qualified group own interests in a partnership that meets requirements equivalent to the control definition in section 368(c), any stock owned by such partnership is treated as owned by members of the qualified group. Thus, for example, following a reorganization under section 368(a)(1)(B), T remains a member of the qualified group upon a transfer of the T stock to a partnership in which members of the qualified group own all the interests. See section B.3. of this preamble. Similarly, a wholly owned subsidiary of a partnership in which members of the qualified group own all the interests will be a member of the qualified group. Accordingly, following a reorganization under section 368(a)(1)(A), the acquiring corporation may transfer the T assets to the subsidiary (either directly or through the partnership) without violating the COBE requirement.

B. *Section 1.368–2(k)*

As provided in §1.368–1(a), a transaction must be evaluated under all relevant provisions of law, including the step transaction doctrine, in determining whether it qualifies as a reorganization under section 368(a). Section 1.368–2 provides guidance regarding whether a transaction satisfies the explicit statutory requirements of a particular reorganization. Section 1.368–2(k) generally provides that a transaction otherwise qualifying as a reorganization will not be disqualified as a result of certain subsequent transfers of assets or stock. The fact that a subsequent transfer of assets or stock is not described in §1.368–2(k) does not necessarily preclude reorganization qualification, but the overall transaction would then be subject to analysis under the step transaction doctrine.

These final regulations adopt the rules of the proposed regulations regarding subsequent transfers of assets or stock with certain modifications. Section 1.368–2(k), as revised by this Treasury decision, generally provides that a transaction otherwise qualifying as a reorganization under section 368(a) shall not be disqualified or recharacterized as a result of one or more subsequent transfers (or successive transfers) of assets or stock, provided that the COBE requirement is satisfied and the transfer(s) qualify as "distributions" or "other transfers" (as described in §1.368–2(k)(1), and as discussed in section B.1. and B.2., respectively, of this preamble).

1. *Distributions*

Proposed §1.368–2(k) would permit the acquiring corporation to distribute to certain shareholders part or all of the stock or assets acquired in a transaction otherwise qualifying as a reorganization without affecting its characterization as such. The proposed regulations would generally permit distributions to certain shareholders provided that no distributee receives "substantially all" of the acquired assets, including the assets of a corporation whose stock is acquired in the reorganization, or stock constituting control of the acquired corporation. This limitation reflected the concern that such a transaction might be more properly characterized as a direct acquisition by the distributee. For example, Rev. Rul. 67–274, 1967–2 C.B. 141, held that an acquisition of T stock in a purported reorganization under section 368(a)(1)(B) followed by a prearranged liquidation of T is treated as a reorganization under section 368(a)(1)(C); Rev. Rul. 72–405, 1972–2 C.B. 217, held that an acquisition of T in a forward triangular merger followed by a prearranged liquidation of the acquiring corporation is treated as a reorganization under section 368(a)(1)(C); and Rev. Rul. 2004–83, 2004–2 C.B. 157, held that a purchase of T stock from the common shareholder followed by a prearranged liquida-

tion of T is treated as a reorganization under section 368(a)(1)(D).

Commentators raised an administrative concern that the parameters of the "substantially all" standard are less than certain, at least under case law, and, thus, requested that a safe harbor test be adopted in the final regulations. The IRS and Treasury Department believe that this is a valid concern. Accordingly, these final regulations have adopted a different approach than the "substantially all" standard of the proposed regulations. The new approach in these final regulations focuses on whether the distribution consists of an amount of assets (disregarding any assets held by the acquiring corporation, or the merged corporation in the case of a reorganization under section 368(a)(1)(A) by reason of (a)(2)(E), prior to the transaction) that would result in the distributing corporation being treated as liquidated for Federal income tax purposes.

The IRS and Treasury Department believe that this approach will be easier for taxpayers to apply and the government to administer than the "substantially all" standard in the proposed regulations. In addition, this approach more fully preserves the analysis and conclusions set forth in Rev. Rul. 67–274, Rev. Rul. 72–405, and Rev. Rul. 2004–83, in the context of Congress having required the target corporation to liquidate in all asset reorganizations. Finally, this approach more consistently applies the principles of section 368(a)(2)(C) (which allows for transfers of all of the acquired assets or stock) to post-acquisition distributions.

Specifically, these final regulations provide that a transaction otherwise qualifying as a reorganization will not be disqualified or recharacterized as a result of one or more distributions of assets, stock of the acquired corporation, or both, provided the COBE requirement is satisfied and the distributions do not result in a liquidation of the distributing corporation for Federal income tax purposes (disregarding, for this purpose, assets held by the acquiring corporation, or the merged corporation in the case of a reorganization under section 368(a)(1)(A) by reason of (a)(2)(E), prior to the transaction). Additionally, in the case of distributions of stock of the acquired corporation, these final regulations only protect the transaction from disqualification or recharacterization if the distributions consist of less than all of the stock of the acquired corporation that was acquired in the transaction and do not cause the acquired corporation to cease to be a member of the qualified group.

These final regulations also clarify that certain indirect distributions of assets are treated under §1.368–2(k) in the same manner as a direct distribution of those assets. For example, such an indirect distribution of assets can occur where, following a transaction that otherwise qualifies as a reorganization under section 368(a)(1)(A), the acquiring corporation transfers a portion of the T assets to a partnership (or a corporation) in exchange for an interest in the transferee partnership (or stock in the transferee corporation) in an "other transfer" described in §1.368–2(k)(1)(ii), and then distributes that partnership interest (or stock) to a shareholder.

Finally, the IRS and Treasury Department believe that distributions of assets under these final regulations that involve the assumption of liabilities are distinguishable from the transaction analyzed in Rev. Rul. 70–107, 1970–1 C.B. 78. That ruling considered a transaction in which the acquiring corporation acquired all of the target corporation's assets in exchange for voting stock of the acquiring corporation's parent. In the transaction, the target corporation's liabilities were assumed in part by the acquiring corporation and in part by the acquiring corporation's parent. The ruling holds that the parent corporation's direct assumption of some of the target corporation's liabilities violates the solely for voting stock requirement of section 368(a)(1)(C). These final regulations do not implicate the fact pattern addressed in Rev. Rul. 70–107.

2. *Other transfers*

Proposed §1.368–2(k) would provide, in part, that a transaction otherwise qualifying as a reorganization under section 368(a) would not be disqualified if any assets or stock of a party to the reorganization, other than the stock of the issuing corporation, is subsequently transferred to a member of the qualified group. Commentators asked that the reference to transfers of stock of the issuing corporation be removed, stating that the effect, if any, of a transfer of the stock of the issuing corporation is adequately addressed by the continuity of interest rules under §1.368–1(e). The IRS and Treasury Department agree. In response to this comment (and comments regarding the interaction with the definition of a party to the reorganization in §1.368–2(f)), this provision has been revised to refer to the assets or stock of the acquired corporation, the acquiring corporation, or the surviving corporation, as the case may be.

Accordingly, these final regulations provide that a transaction otherwise qualifying as a reorganization will not be disqualified or recharacterized as a result of one or more transfers (that do not constitute distributions) of assets or stock, or both, of the acquired corporation, the acquiring corporation, or the surviving corporation, as the case may be, provided the COBE requirement is satisfied, and the acquired corporation, the acquiring corporation, or the surviving corporation, as the case may be, does not terminate its corporate existence in connection with the transfer(s). In the case of transfers of stock of the acquired corporation, the acquiring corporation, or the surviving corporation, as the case may be, these final regulations only protect the transaction from disqualification or recharacterization if the transfers do not cause such corporation to cease to be a member of the qualified group.

3. *Transfers of stock to partnerships*

Example 3 of former §1.368–2(k), issued January 28, 1998 (63 FR 4174), involved a transfer of stock of the acquired corporation to a partnership. In the example, P acquired all the stock of T solely in exchange for P stock in a transaction that otherwise qualified as a reorganization under section 368(a)(1)(B). Immediately thereafter, P transferred the T stock to members of its qualified group, who then transferred the T stock to a partnership all of the interests in which were owned by such members. The example concludes that because the transfer of T stock to the partnership is not described in §1.368–2(k), the characterization of the transaction must be determined under relevant provisions of law, including the step transaction doctrine. The example further concludes that the transaction fails to meet the control requirement of a reorga-

nization described in section 368(a)(1)(B) because immediately after the transaction the acquiring corporation does not have control of T. The preamble to the proposed regulations indicated that the IRS and Treasury Department were reexamining the conclusion set forth in *Example 3* and requested comments in this regard. Consequently, *Example 3* was not included in the proposed regulations. Comments were received and considered in the course of studying this issue.

After further examination, the IRS and Treasury Department have concluded that transfers of stock of a corporation to a controlled partnership (that is, one in which members of the qualified group own interests meeting requirements equivalent to section 368(c)) adequately preserve the link between the former T shareholders and the T business assets. This section 368(c) equivalent control standard is applied to transfers of stock to a partnership in order to protect the section 368(c) control requirement applicable to triangular and stock acquisition reorganizations. Accordingly, these final regulations reverse the conclusion reached in *Example 3* of former §1.368–2(k).

To accommodate these policy considerations, the final regulations permit both distributions of stock of the acquired corporation and other transfers of stock of the acquired corporation, the acquiring corporation, or the surviving corporation, as the case may be, provided the transfer of stock does not cause the transferred corporation to cease to be a member of the COBE qualified group. To that end, as described in section A. of this preamble, the COBE regulations have been expanded to provide that if members of the qualified group own interests in a partnership that meet requirements equivalent to the control definition in section 368(c), any stock owned by such partnership is attributed to and treated as owned by members of the qualified group. Accordingly, this full stock attribution rule treats partnerships in a manner similar to members of the COBE qualified group.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations and, because these regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, these regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small businesses.

Drafting Information

The principal author of these final regulations is Mary W. Lyons of the Office of Associate Chief Counsel (Corporate). However, other personnel from the IRS and Treasury Department participated in their development.

Availability of IRS Documents

IRS revenue rulings, procedures, and notices cited in this preamble are made available by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

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Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

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

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

Par. 2. Section 1.368–1 is amended as follows:

1. Paragraph (d)(4)(ii) is revised.

2. Paragraph (d)(4)(iii)(D) is added.

3. Paragraph (d)(4)(iv) is revised.

4. Paragraph (d)(5) introductory text is revised.

5. In paragraph (d)(5), *Examples 7* through *12* are redesignated as *Examples 8* through *13*, respectively, and new *Examples 7*, *14*, and *15* are added.

6. In paragraph (d)(5), the first sentences of paragraph (i) in redesignated *Examples 9*, *10*, and *12* are revised.

The revisions and additions read as follows:

§1.368–1 Purpose and scope of exception of reorganization exchanges.

* * * * *

(d) * * *

(4) * * *

(ii) *Qualified group.* A qualified group is one or more chains of corporations connected through stock ownership with the issuing corporation, but only if the issuing corporation owns directly stock meeting the requirements of section 368(c) in at least one other corporation, and stock meeting the requirements of section 368(c) in each of the corporations (except the issuing corporation) is owned directly (or indirectly as provided in paragraph (d)(4)(iii)(D) of this section) by one or more of the other corporations.

(iii) * * *

(D) *Stock attributed from certain partnerships.* Solely for purposes of paragraph (d)(4)(ii) of this section, if members of the qualified group own interests in a partnership meeting requirements equivalent to section 368(c) (a section 368(c) controlled partnership), any stock owned by the section 368(c) controlled partnership shall be treated as owned by members of the qualified group. Solely for purposes of determining whether a lower-tier partnership is a section 368(c) controlled partnership, any interest in a lower-tier partnership that is owned by a section 368(c) controlled partnership shall be treated as owned by members of the qualified group.

(iv) *Effective/applicability dates.* Paragraphs (d)(4)(i) and (d)(4)(iii) (other than paragraph (d)(4)(iii)(D)) of this section apply to transactions occurring after January 28, 1998, except that they do not apply to any transaction occurring pursuant to a written agreement which is binding on January 28, 1998, and at all times thereafter. Paragraphs (d)(4)(ii) and (d)(4)(iii)(D) of this section apply to transactions occurring on or after October 25, 2007, except that they do not apply to any transaction occurring pursuant to a written agreement which is binding before October 25, 2007, and at all times after that.

(5) *Examples.* The following examples illustrate this paragraph (d). All the corporations have only one class of stock outstanding. The preceding sentence and

paragraph (d)(5) *Example 6* and *Example 8* through *Example 13* apply to transactions occurring after January 28, 1998, except that they do not apply to any transaction occurring pursuant to a written agreement which is binding on January 28, 1998, and at all times thereafter. Paragraph (d)(5) *Example 7*, *Example 14*, and *Example 15* apply to transactions occurring on or after October 25, 2007, except that they do not apply to any transaction occurring pursuant to a written agreement which is binding before October 25, 2007, and at all times after that. The examples read as follows:

* * * * *

Example 7. Transfers of acquired stock to members of the qualified group — continuity of business enterprise satisfied. (i) *Facts*. The facts are the same as *Example 6*, except that, instead of P acquiring the assets of T, HC acquires all of the outstanding stock of T in exchange solely for stock of P. In addition, as part of the plan of reorganization, HC transfers 10 percent of the stock of T to each of subsidiaries S–1 through S–10. T will continue to operate an auto parts distributorship. Without regard to whether the transaction satisfies the COBE requirement, the transaction qualifies as a triangular B reorganization (as defined in §1.358–6(b)(2)(iv)).

(ii) *Continuity of business enterprise*. Under paragraph (d)(4)(i) of this section, P is treated as holding the assets and conducting the business of T because T is a member of the qualified group (as defined in paragraph (d)(4)(ii) of this section). The COBE requirement of paragraph (d)(1) of this section is satisfied.

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Example 9. * * * (i) *Facts*. The facts are the same as *Example 8*, except that S–3 transfers the historic T business to PRS in exchange for a 1 percent interest in PRS.

(ii) * * *

Example 10. * * * (i) *Facts*. The facts are the same as *Example 8*, except that S–3 transfers the historic T business to PRS in exchange for a 33 1/3-percent interest in PRS, and no member of P's qualified group performs active and substantial management functions for the ski boot business operated in PRS.

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Example 12. * * * (i) *Facts*. The facts are the same as *Example 11*, except that S–1 transfers all the T assets to PRS, and P and X each transfer cash to PRS in exchange for partnership interests. * * *

* * * * *

Example 14. Transfer of acquired stock to a partnership — continuity of business enterprise satisfied. (i) *Facts*. Pursuant to a plan of reorganization, the T shareholders transfer all of their T stock to a subsidiary of P, S–1, solely in exchange for P stock. In addition, as part of the plan of reorganization, S–1 transfers the T stock to its subsidiary, S–2, and S–2 transfers the T stock to its subsidiary, S–3. S–2 and S–3 form a new partnership, PRS. Immediately thereafter, S–3 transfers all of the T stock to PRS in exchange for an 80 percent interest in PRS, and S–2 transfers cash to PRS in exchange for a 20 percent interest in PRS.

(ii) *Continuity of business enterprise*. Members of the qualified group, in the aggregate, own all of the interests in PRS. Because these interests in PRS meet requirements equivalent to section 368(c), under paragraph (d)(4)(iii)(D) of this section, the T stock owned by PRS is treated as owned by members of the qualified group. P is treated as holding all of the businesses and assets of T because T is a member of the qualified group (as defined in paragraph (d)(4)(ii) of this section). The COBE requirement of paragraph (d)(1) of this section is satisfied because P is treated as continuing T's business.

Example 15. Transfer of acquired stock to a partnership — continuity of business enterprise not satisfied. (i) *Facts*. The facts are the same as in *Example 14,* except that S–3 and U, an unrelated corporation, form a new partnership, PRS, and, immediately thereafter, S–3 transfers all of the T stock to PRS in exchange for a 50 percent interest in PRS, and U transfers cash to PRS in exchange for a 50 percent interest in PRS.

(ii) *Continuity of business enterprise*. Members of the qualified group, in the aggregate, own 50 percent of the interests in PRS. Because these interests in PRS do not meet requirements equivalent to section 368(c), the T stock owned by PRS is not treated as owned by members of the qualified group under paragraph (d)(4)(iii)(D) of this section. P is not treated as holding all of the businesses and assets of T because T has ceased to be a member of the qualified group (as defined in paragraph (d)(4)(ii) of this section). The COBE requirement of paragraph (d)(1) of this section is not satisfied because P is not treated as continuing T's business or using T's historic business assets in a business.

* * * * *

Par. 3. Section 1.368–2 is amended by:

1. Adding three sentences at the end of paragraph (f).

2. Revising paragraphs (j)(3)(ii) and (iv).

3. Removing the first sentence of paragraph (j)(3)(iii) and adding two new sentences at the beginning of the paragraph.

4. Revising paragraph (k).

The additions and the revisions read as follows:

§1.368–2 Definition of terms.

* * * * *

(f) * * * If a transaction otherwise qualifies as a reorganization under section 368(a)(1)(B) or as a reverse triangular merger (as defined in §1.358–6(b)(2)(iii)), the target corporation (in the case of a transaction that otherwise qualifies as a reorganization under section 368(a)(1)(B)) or the surviving corporation (in the case of a transaction that otherwise qualifies as a reverse triangular merger) remains a party to the reorganization even though its stock or assets are transferred in a transaction described in paragraph (k) of this section. If a transaction otherwise qualifies as a forward triangular merger (as defined in §1.358–6(b)(2)(i)), a triangular B reorganization (as defined in §1.358–6(b)(2)(iv)), a triangular C reorganization (as defined in §1.358–6(b)(2)(ii)), or a reorganization under section 368(a)(1)(G) by reason of section 368(a)(2)(D), the acquiring corporation remains a party to the reorganization even though its stock is transferred in a transaction described in paragraph (k) of this section. The two preceding sentences apply to transactions occurring on or after October 25, 2007, except that they do not apply to any transaction occurring pursuant to a written agreement which is binding before October 25, 2007, and at all times after that.

* * * * *

(j) * * *

(3) * * *

(ii) Except as provided in paragraph (k) of this section, the controlling corporation must control the surviving corporation immediately after the transaction.

(iii) After the transaction, the surviving corporation must hold substantially all of its own properties and substantially all of the properties of the merged corporation (other than stock of the controlling corporation distributed in the transaction). The surviving corporation may transfer such properties as provided in paragraph (k) of this section. * * *

(iv) Paragraph (j)(3)(ii) and the first two sentences of paragraph (j)(3)(iii) of this section apply to transactions occurring on or after October 25, 2007, except that they do not apply to any transaction occurring pursuant to a written agreement which is binding before October 25, 2007, and at all times thereafter. The remainder of paragraph (j)(3)(iii) of this section applies to transactions occurring after January 28, 1998, except that it does not apply to any transaction occurring pursuant to a written agreement which is binding on January 28, 1998, and at all times after that.

* * * * *

(k) *Certain transfers of assets or stock in reorganizations*—(1) *General rule*. A transaction otherwise qualifying as a reorganization under section 368(a) shall not be disqualified or recharacterized as

a result of one or more subsequent transfers (or successive transfers) of assets or stock, provided that the requirements of §1.368–1(d) are satisfied and the transfer(s) are described in either paragraph (k)(1)(i) or (k)(1)(ii) of this section.

(i) *Distributions.* One or more distributions to shareholders (including distribution(s) that involve the assumption of liabilities) are described in this paragraph (k)(1)(i) if—

(A) The property distributed consists of—

(*1*) Assets of the acquired corporation, the acquiring corporation, or the surviving corporation, as the case may be, or an interest in an entity received in exchange for such assets in a transfer described in paragraph (k)(1)(ii) of this section;

(*2*) Stock of the acquired corporation provided that such distribution(s) of stock do not cause the acquired corporation to cease to be a member of the qualified group (as defined in §1.368–1(d)(4)(ii)); or

(*3*) A combination thereof; and

(B) The aggregate of such distributions does not consist of—

(*1*) An amount of assets of the acquired corporation, the acquiring corporation (disregarding assets held prior to the potential reorganization), or the surviving corporation (disregarding assets of the merged corporation), as the case may be, that would result in a liquidation of such corporation for Federal income tax purposes; or

(*2*) All of the stock of the acquired corporation that was acquired in the transaction.

(ii) *Other Transfers*. One or more other transfers are described in this paragraph (k)(1)(ii) if—

(A) The transfer(s) are not described in paragraph (k)(1)(i) of this section;

(B) The property transferred consists of—

(*1*) Part or all of the assets of the acquired corporation, the acquiring corporation, or the surviving corporation, as the case may be;

(*2*) Part or all of the stock of the acquired corporation, the acquiring corporation, or the surviving corporation, as the case may be, provided that such transfer(s) of stock do not cause such corporation to cease to be a member of the qualified group (as defined in §1.368–1(d)(4)(ii)); or

(*3*) A combination thereof; and

(C) The acquired corporation, the acquiring corporation, or the surviving corporation, as the case may be, does not terminate its corporate existence in connection with the transfer(s).

(2) *Examples*. The following examples illustrate the application of this paragraph (k). Except as otherwise noted, P is the issuing corporation, and T is an unrelated target corporation. All corporations have only one class of stock outstanding. T operates a bakery that supplies delectable pastries and cookies to local retail stores. The acquiring corporate group produces a variety of baked goods for nationwide distribution. Except as otherwise noted, P owns all of the stock of S–1 and 80 percent of the stock of S–4, S–1 owns 80 percent of the stock of S–2 and 50 percent of the stock of S–5, S–2 owns 80 percent of the stock of S–3, and S–4 owns the remaining 50 percent of the stock of S–5. The examples are as follows:

Example 1. Transfers of acquired assets to members of the qualified group after a reorganization under section 368(a)(1)(C). (i) *Facts*. Pursuant to a plan of reorganization, T transfers all of its assets to S–1 solely in exchange for P stock, which T distributes to its shareholders, and S–1's assumption of T's liabilities. In addition, pursuant to the plan, S–1 transfers all of the T assets to S–2, and S–2 transfers all of the T assets to S–3.

(ii) *Analysis*. Under this paragraph (k), the transaction, which otherwise qualifies as a reorganization under section 368(a)(1)(C), is not disqualified by the successive transfers of all of the T assets to S–2 and from S–2 to S–3 because the transfers are not distributions described in paragraph (k)(1)(i) of this section, the transfers consist of part or all of the assets of the acquiring corporation, the acquiring corporation does not terminate its corporate existence in connection with the transfers, and the transaction satisfies the requirements of §1.368–1(d).

Example 2. Distribution of acquired assets to a member of the qualified group after a reorganization under section 368(a)(1)(C). (i) *Facts*. Pursuant to a plan of reorganization, T transfers all of its assets to S–1 solely in exchange for P stock, which T distributes to its shareholders, and S–1's assumption of T's liabilities. In addition, pursuant to the plan, S–1 distributes half of the T assets to P, and P assumes half of the T liabilities.

(ii) *Analysis*. Under this paragraph (k), the transaction, which otherwise qualifies as a reorganization under section 368(a)(1)(C), is not disqualified by the distribution of half of the T assets from S–1 to P, or P's assumption of half of the T liabilities from S–1, because the distribution consists of assets of the acquiring corporation, the distribution does not consist of an amount of S–1's assets that would result in a liquidation of S–1 for Federal income tax purposes (disregarding S–1's assets held prior to the acquisition of T), and the transaction satisfies the requirements of §1.368–1(d).

Example 3. Indirect distribution of acquired assets to a member of the qualified group after a reorganization under section 368(a)(1)(C). (i) *Facts*. The facts are the same as *Example 2*, except that, pursuant to the plan, S–1 contributes half of the T assets to newly formed S–6, S–6 assumes half of the T liabilities, and S–1 distributes all of the S–6 stock to P.

(ii) *Analysis*. Under this paragraph (k), the transaction, which otherwise qualifies as a reorganization under section 368(a)(1)(C), is not disqualified by the transfer of half of the T assets to S–6 and the distribution of the S–6 stock to P because the transfer of half of the T assets to S–6 is described in paragraph (k)(1)(ii) of this section, the distribution of the S–6 stock to P is an indirect distribution of assets of the acquiring corporation, the distribution does not consist of an amount of S–1's assets that would result in a liquidation of S–1 for Federal income tax purposes (disregarding S–1's assets held prior to the acquisition of T), and the transaction satisfies the requirements of §1.368–1(d).

Example 4. Distribution of acquired stock to a controlled partnership after a reorganization under section 368(a)(1)(B). (i) *Facts*. P owns 80 percent of the stock of S–1, and an 80-percent interest in PRS, a partnership. S–4 owns the remaining 20-percent interest in PRS. PRS owns the remaining 20 percent of the stock of S–1. Pursuant to a plan of reorganization, the T shareholders transfer all of their T stock to S–1 solely in exchange for P stock. In addition, pursuant to the plan, S–1 distributes 90 percent of the T stock to PRS in redemption of 5 percent of the stock of S–1 owned by PRS.

(ii) *Analysis*. Under this paragraph (k), the transaction, which otherwise qualifies as a reorganization under section 368(a)(1)(B), is not disqualified by the distribution of 90 percent of the T stock from S–1 to PRS because the distribution consists of less than all of the stock of the acquired corporation that was acquired in the transaction, the distribution does not cause T to cease to be a member of the qualified group (as defined in §1.368–1(d)(4)(ii)), and the transaction satisfies the requirements of §1.368–1(d).

Example 5. Transfer of acquired stock to a noncontrolled partnership. (i) *Facts*. Pursuant to a plan, the T shareholders transfer all of their T stock to S–1 solely in exchange for P stock. In addition, as part of the plan, T distributes half of its assets to S–1, S–1 assumes half of the T liabilities, and S–1 transfers the T stock to S–2. S–2 and U, an unrelated corporation, form a new partnership, PRS. Immediately thereafter, S–2 transfers all of the T stock to PRS in exchange for a 50 percent interest in PRS, and U transfers cash to PRS in exchange for a 50 percent interest in PRS.

(ii) *Analysis*. Under this paragraph (k), the transaction, which otherwise qualifies as a reorganization under section 368(a)(1)(B), is not disqualified by the distribution of half of the T assets from T to S–1, or S–1's assumption of half of the T liabilities from T, because the distribution consists of assets of the acquired corporation, the distribution does not consist of an amount of T's assets that would result in a liquidation of T for Federal income tax purposes, and the transaction satisfies the requirements of §1.368–1(d). Further, this paragraph (k) describes the transfer of the acquired stock from S–1 to S–2, but does not de-

scribe the transfer of the acquired stock from S–2 to PRS because such transfer causes T to cease to be a member of the qualified group (as defined in §1.368–1(d)(4)(ii)). Therefore, the characterization of this transaction must be determined under the relevant provisions of law, including the step transaction doctrine. See §1.368–1(a). The transaction fails to meet the control requirement of a reorganization described in section 368(a)(1)(B) because immediately after the acquisition of the T stock, the acquiring corporation does not have control of T.

Example 6. Transfers of acquired assets to members of the qualified group after a reorganization under section 368(a)(1)(D). (i) *Facts.* P owns all of the stock of T. Pursuant to a plan of reorganization, T transfers all of its assets to S–1 solely in exchange for S–1 stock, which T distributes to P, and S–1's assumption of T's liabilities. In addition, pursuant to the plan, S–1 transfers all of the T assets to S–2, and S–2 transfers all of the T assets to S–3.

(ii) *Analysis.* Under this paragraph (k), the transaction, which otherwise qualifies as a reorganization under section 368(a)(1)(D), is not disqualified by the successive transfers of all the T assets from S–1 to S–2 and from S–2 to S–3 because the transfers are not distributions described in paragraph (k)(1)(i) of this section, the transfers consist of part or all of the assets of the acquiring corporation, the acquiring corporation does not terminate its corporate existence in connection with the transfers, and the transaction satisfies the requirements of §1.368–1(d).

Example 7. Transfer of stock of the acquiring corporation to a member of the qualified group after a reorganization under section 368(a)(1)(A) by reason of section 368(a)(2)(D). (i) *Facts.* Pursuant to a plan of reorganization, S–1 acquires all of the T assets in the merger of T into S–1. In the merger, the T shareholders receive solely P stock. Also, pursuant to the plan, P transfers all of the S–1 stock to S–4.

(ii) *Analysis.* Under this paragraph (k), the transaction, which otherwise qualifies as a reorganization under section 368(a)(1)(A) by reason of section 368(a)(2)(D), is not disqualified by the transfer of all of the S–1 stock to S–4 because the transfer is not a distribution described in paragraph (k)(1)(i) of this section, the transfer consists of part or all of the stock of the acquiring corporation, the transfer does not cause S–1 to cease to be a member of the qualified group (as defined in §1.368–1(d)(4)(ii)), the acquiring corporation does not terminate its corporate existence in connection with the transfer, and the transaction satisfies the requirements of §1.368–1(d).

Example 8. Transfer of acquired assets to a partnership after a reorganization under section 368(a)(1)(A) by reason of section 368(a)(2)(D). (i) *Facts.* Pursuant to a plan of reorganization, S–1 acquires all of the T assets in the merger of T into S–1. In the merger, the T shareholders receive solely P stock. In addition, pursuant to the plan, S–1 transfers all of the T assets to PRS, a partnership in which S–1 owns a 33 1/3-percent interest. PRS continues T's historic business. S–1 does not perform active and substantial management functions as a partner with respect to PRS' business.

(ii) *Analysis.* Under this paragraph (k), the transaction, which otherwise qualifies as a reorganization under section 368(a)(1)(A) by reason of section 368(a)(2)(D), is not disqualified by the transfer of T assets from S–1 to PRS because the transfer is not a distribution described in paragraph (k)(1)(i) of this section, the transfer consists of part or all of the assets of the acquiring corporation, the acquiring corporation does not terminate its corporate existence in connection with the transfers, and the transaction satisfies the requirements of §1.368–1(d).

Example 9. Sale of acquired assets to a member of the qualified group after a reorganization under section 368(a)(1)(C). (i) *Facts.* Pursuant to a plan of reorganization, T transfers all of its assets to S–1 in exchange for P stock, which T distributes to its shareholders, and S–1's assumption of T's liabilities. In addition, pursuant to the plan, S–1 sells all of the T assets to S–5 for cash equal to the fair market value of those assets.

(ii) *Analysis.* Under this paragraph (k), the transaction, which otherwise qualifies as a reorganization under section 368(a)(1)(C), is not disqualified by the sale of all of the T assets from S–1 to S–5 because the transfer is not a distribution described in paragraph (k)(1)(i) of this section, the transfer consists of part or all of the assets of the acquiring corporation, the acquiring corporation does not terminate its corporate existence in connection with the transfers, and the transaction satisfies the requirements of §1.368–1(d).

(3) *Effective/applicability date.* This paragraph (k) applies to transactions occurring on or after October 25, 2007, except that it does not apply to any transaction occurring pursuant to a written agreement which is binding before October 25, 2007, and at all times after that.

Kevin M. Brown,
Deputy Commissioner for Services and Enforcement.

Approved October 16, 2007.

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

(Filed by the Office of the Federal Register on October 24, 2007, 8:45 a.m., and published in the issue of the Federal Register for October 25, 2007, 72 F.R. 60552)

Section 6404.—Abatements

Ct. D. 2084

SUPREME COURT OF THE UNITED STATES

No. 06–376 (2007)

HINCK v. UNITED STATES

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

May 21, 2007

Syllabus

A 1986 amendment to the Internal Revenue Code permits the Treasury Secretary to abate interest that accrues on unpaid federal income taxes if the interest assessment is attributable to Internal Revenue Service (IRS) error or delay. 26 U.S.C. Sec. 6404(e)(1). Subsequently the federal courts uniformly held that the Secretary's decision not to abate was not subject to judicial review. In 1996, Congress added what is now Sec. 6404(h), which states that the Tax Court has "jurisdiction over any action brought by a taxpayer who meets the requirements referred to in section 7430(c)(4)(A)(ii) to determine whether the Secretary's failure to abate . . . was an abuse of discretion, and may order an abatement, if such action is brought within 180 days after the date of the mailing of the Secretary's final determination not to abate. . . ." Sec. 6404(h)(1). Section 7430(c)(4)(A)(ii) in turn incorporates 28 U.S.C. Sec. 2412(d)(2)(B), which refers to individuals with a net worth not exceeding $2 million and businesses with a net worth not exceeding $7 million. The IRS denied petitioner Hincks' request for abatement of interest assessed in 1999 for the period March 21, 1989, to April 1, 1993. The Hincks then filed suit in the Court of Federal Claims seeking review of the refusal to abate. The court granted the Government's motion to dismiss, and the Federal Circuit affirmed, holding that Sec. 6404(h) vests exclusive jurisdiction to review interest abatement claims in the Tax Court.

Held: the Tax Court provides the exclusive forum for judicial review of a failure to abate interest under Sec. 6404(e)(1). This Court's analysis is governed by the well-established principle that, in most contexts, "'a precisely drawn, detailed statute pre-empts more general remedies,'" *EC Term of Years Trust v. United States*, 550 U.S. ___, ___; it is also guided by the recognition that when Congress enacts a specific remedy when none was

previously recognized, or when previous remedies were "problematic," the remedy provided is generally regarded as exclusive, *Block v. North Dakota ex rel. Board of Univ. and School Lands,* 461 U.S. 273, 285. Section 6404(h) fits the bill on both counts. In a single sentence, it provides a forum for adjudication, a limited class of potential plaintiffs, a statute of limitations, a standard of review, and authorization for judicial relief; it was also enacted against a backdrop of decisions uniformly rejecting the possibility of any review of the Secretary's Sec. 6404(e)(1) determinations. Though Congress failed explicitly to define the Tax Court's jurisdiction as exclusive, it is quite plain that the terms of Sec. 6404(h) — a "precisely drawn, detailed statute" filling a perceived hole in the law — control all requests for review of Sec. 6404(e)(1) decisions, including the forum for adjudication. The Hincks correctly argue that Congress's provision of an abuse of discretion standard removed one of the obstacles courts had held foreclosed judicial review of such determinations, but Congress did not simply supply this single missing ingredient in enacting Sec. 6404(h). Rather, it set out a carefully circumscribed, time-limited, plaintiff-specific provision, which also precisely defined the appropriate forum. This Court will not isolate one feature of this statute and use it to permit taxpayers to circumvent the other limiting features in the *same* statute, such as a shorter statute of limitations than in general refund suits or a net-worth ceiling for plaintiffs eligible to bring suit. Taxpayers could "effortlessly evade" these specific limitations by bringing interest abatement claims as tax refund actions in the district courts or the Court of Federal Claims, disaggregating a statute Congress plainly envisioned as a package deal. *EC Term of Years Trust, supra,* at ___. Equally unavailing are the Hincks' contentions that reading Sec. 6404(h) to vest exclusive jurisdiction in the Tax Court impliedly repeals the pre-existing jurisdiction of the district courts and Court of Federal Claims, runs contrary to the structure of tax controversy jurisdiction, and would lead to the "unreasonable" result that taxpayers with net worths exceeding the specified ceilings would be foreclosed from seeking judicial review of Sec. 6404(e)(1) refusals to abate. Pp. 6–9.

446 F.3d 1307 affirmed.

ROBERTS, C.J., delivered the opinion for a unanimous Court.

SUPREME COURT OF THE UNITED STATES

No. 06–376 (2007)

HINCK v. UNITED STATES

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

May 21, 2007

CHIEF JUSTICE ROBERTS delivered the opinion of the Court.

Bad things happen if you fail to pay federal income taxes when due. One of them is that interest accrues on the unpaid amount. Sometimes it takes a while for the Internal Revenue Service (IRS) to determine that taxes should have been paid that were not. Section 6404(e)(1) of the Internal Revenue Code permits the Secretary of the Treasury to abate interest—to forgive it, partially or in whole—if the assessment of interest on a deficiency is attributable to unreasonable error or delay on the part of the IRS. Section 6404(h) allows for judicial review of the Secretary's decision not to grant such relief. The question presented in this case is whether this review may be obtained only in the Tax Court, or may also be secured in the district courts and the Court of Federal Claims. We hold that the Tax Court provides the exclusive forum for judicial review of a refusal to abate interest under Sec. 6404(e)(1), and affirm.

I

The Internal Revenue Code provides that if any amount of assessed federal income tax is not paid "on or before the last date prescribed for payment," interest "shall be paid for the period from such last date to the date paid." 26 U.S.C. Sec. 6601(a). Section 6404 of the Code authorizes the Secretary of the Treasury to abate any tax or related liability in certain circumstances. As part of the Tax Reform Act of 1986, Congress amended Sec. 6404 to add subsection (e(1), which, as enacted, provided in pertinent part:

> "In the case of any assessment of interest on . . . any deficiency attributable in whole or in part to any error or delay by an officer or employee of the Internal Revenue Service (acting in his official capacity) in performing a ministerial act . . . the Secretary may abate the assessment of all or any part of such interest for any period." 26 U.S.C. Sec. 6404(e)(1) (1994 ed.).

In the years following passage of Sec. 6404(e)(1), the federal courts uniformly held that the Secretary's decision not to grant an abatement was not subject to judicial review. See, *e.g., Argabright v. United States*, 35 F.3d 472, 476 (CA9 1994); *Selman v. United States*, 941 F.2d 1060, 1064 (CA10 1991); *Horton Homes, Inc. v. United States*, 936 F.2d 548, 554 (CA11 1991); see also *Bax v. Commissioner*, 13 F.3d 54, 58 (CA2 1993). These decisions recognized that Sec. 6404(e)(1) gave the Secretary complete discretion to determine whether to abate interest, "neither indicat[ing] that such authority should be used universally nor provid[ing] any basis for distinguishing between the instances in which abatement should and should not be granted." *Selman, supra*, at 1063. Any decision by the Secretary was accordingly "committed to agency discretion by law" under the Administrative Procedure Act, 5 U.S.C. Sec. 701(a)(2), and thereby insulated from judicial review. See, *e.g., Webster v. Doe*, 486 U.S. 592, 599 (1988); *Heckler v. Chaney*, 470 U.S. 821, 830 (1985).

In 1996, as part of the Taxpayer Bill of Rights 2, Congress again amended Sec. 6404, adding what is now subsection (h). As relevant, that provision states:

> "Review of denial of request for abatement of interest. — "1) In general.—The Tax Court shall have jurisdiction over any action brought by a taxpayer who meets the requirements referred to in section 7430(c)(4)(A)(ii) to determine whether the Secretary's failure to abate interest under this section was an abuse of discretion, and may order an abatement, if such action is brought within 180 days after the date of the mailing of the Secretary's final determination not to abate such interest." 26 U.S.C. Sec. 6404(h)(1) (2000 ed., Supp. IV).

Section 7430(c)(4)(A)(ii) in turn incorporates 28 U.S.C. Sec. 2412(d)(2)(B),

which refers to individuals with a net worth not exceeding $2 million and businesses with a net worth not exceeding $7 million. Congress made subsection (h) effective for all requests for abatement submitted to the IRS after July 30, 1996, regardless of the tax year involved. Sec. 302(b), 110 Stat.1458.[1]

II

In 1986, petitioner John Hinck was a limited partner in an entity called Agri-Cal Venture Associates (ACVA). Along with his wife, petitioner Pamela Hinck, Hinck filed a joint return for 1986 reporting his share of losses from the partnership. The IRS later examined the tax returns for ACVA and proposed adjustments to deductions that the partnership had claimed for 1984, 1985, and 1986. In 1990, the IRS issued a final notice regarding the partnership's returns, disallowing tens of millions of dollars of deductions. While the partnership sought administrative review of this decision, the Hincks, in May 1996, made an advance remittance of $93,890 to the IRS toward any personal deficiency that might result from a final adjustment of ACVA's returns. In March, 1999, the Hincks reached a settlement with the IRS concerning the ACVA partnership adjustments, to the extent they affected the Hincks' return. Shortly thereafter, as a result of the adjustments, the IRS imposed additional liability against the Hincks: $16,409 in tax and $21,669.22 in interest. The IRS applied the Hincks' advance remittance to this amount and refunded them the balance of $55,811.78.

The Hincks filed a claim with the IRS contending that, because of IRS errors and delays, the interest assessed against them for the period from March 21, 1989, to April 1, 1993, should be abated under Sec. 6404(e)(1). The IRS denied the request. The Hincks then filed suit in the United States Court of Federal Claims seeking review of the refusal to abate. That court granted the Government's motion to dismiss, 64 Fed. Cl. 71, 81 (2005), and the United States Court of Appeals for the Federal Circuit affirmed, 446 F.3d 1307, 1313–1314 (2006), holding that Sec. 6404(h) vests exclusive jurisdiction to review interest abatement claims under Sec. 6404(e)(1) in the Tax Court. Because this decision conflicted with the Fifth Circuit's decision in *Beall v. United States*, 336 F.3d 419, 430 (2003) (holding that Sec. 6404(h) grants concurrent, rather than exclusive, jurisdiction to the Tax Court), we granted certiorari, 549 U.S. ___ (2007).

III

Our analysis is governed by the well-established principle that, in most contexts, "'a precisely drawn, detailed statute preempts more general remedies.'" *EC Term of Years Trust v. United States*, 550 U.S. ___, ___ (2007), (slip op., at 4) (quoting *Brown v. GSA*, 425 U.S. 820, 834 (1976)); see also *Block v. North Dakota ex rel. Board of Univ. and School Lands*, 461 U.S. 273, 284–286 (1983). We are also guided by our past recognition that when Congress enacts a specific remedy when no remedy was previously recognized, or when previous remedies were "problematic," the remedy provided is generally regarded as exclusive. *Id.* at 285; *Brown, supra*, at 826–829.

Section 6404(h) fits the bill on both counts. It is a "precisely drawn detailed statute" that, in a single sentence, provides a forum for adjudication, a limited class of potential plaintiffs, a statute of limitations, a standard of review, and authorization for judicial relief. And Congress enacted this provision against a backdrop of decisions uniformly rejecting the possibility of any review for taxpayers wishing to challenge the Secretary's Sec. 6404(e)(1) determination. Therefore, despite Congress's failure explicitly to define the Tax Court's jurisdiction as exclusive, we think it quite plain that the terms of Sec. 6404(h)—a "precisely drawn, detailed statute" filling a perceived hole in the law—control all requests for review of Sec. 6404(e)(1) determinations. Those terms include the forum for adjudication.

The Hincks' primary argument against exclusive Tax Court jurisdiction is that by providing a standard of review—abuse of discretion—in Sec. 6404(h), Congress eliminated the primary barrier to judicial review that courts had previously recognized; accordingly, they maintain, taxpayers may seek review of Sec. 6404(e)(1) determinations under statutes granting jurisdiction to the district courts and the Court of Federal Claims to review tax refund actions. See 28 U.S.C. Secs. 1346(a)(1); 1491(a)(1); 26 U.S.C. Sec. 7422(a). Or, as the Fifth Circuit reasoned: "[T]he federal district courts have always possessed *jurisdiction* over challenges brought to section 6404(e)(1) denials[;] they simply determined that the taxpayers had no *substantive right* whatever to a favorable exercise of the Secretary's discretion. . . . [I]n enacting section 6404(h), Congress indicated that such is no longer the case, and thereby removed any impediment to district court review." *Beall, supra*, at 428 (emphasis in original).

It is true that by providing an abuse of discretion standard, Congress removed one of the obstacles courts had held foreclosed judicial review of Sec. 6404(e)(1) determinations. See, *e.g., Argabright*, 35 F.3d at 476 (noting an absence of "'judicially manageable standards'" (quoting *Heckler*, 470 U.S. at 830)). But in enacting Sec. 6404(h), Congress did not simply supply this single missing ingredient; rather, it set out a carefully circumscribed, time-limited, plaintiff-specific provision which also precisely defined the appropriate forum. We cannot accept the Hincks' invitation to isolate one feature of this "precisely drawn, detailed statute"—the portion specifying a standard of review—and use it to permit taxpayers to circumvent the other limiting features Congress placed in the *same* statute—restrictions such as a shorter statute of limitations than general refund suits, compare Sec. 6404(h) (180-day limitations period) with Sec. 6532(a)(1) (2-year limitations period), or a net-worth ceiling for plaintiffs eligible to bring suit. Taxpayers could "effortlessly evade" these specific limitations by bringing interest abatement claims as tax refund actions in the district courts or the Court of Federal Claims, disaggregating a statute Congress plainly envisioned as a package deal. *EC Term of Years Trust, supra*, at ___ (slip op., at 5); see also *Block, supra*, at 284–285; *Brown, supra*, 425 U.S. at 832–833.

The Hincks' other contentions are equally unavailing. First, they claim that

[1] The Taxpayer Bill of Rights 2 also modified 26 U.S.C. Sec. 6404(e)(1)(A) to add the word "unreasonable" before the words "error or delay" and to change "ministerial act" to "ministerial or managerial act." Sec. 301(a), 110 Stat. 1457. These changes, however, only apply to interest accruing on deficiencies for tax years beginning after July 30, 1996, see Sec. 301(c), *ibid.*, and thus are not implicated in this case.

reading Sec. 6404(h) to vest exclusive jurisdiction in the Tax Court impliedly repeals the preexisting jurisdiction of the district courts and Court of Federal Claims, despite our admonition that "repeals by implication are not favored." *Morton v. Mancari*, 417 U.S. 535, 549 (1974) (internal quotation marks omitted). But the implied-repeal doctrine is not applicable here, for when Congress passed Sec. 6404(h), Sec. 6404(e)(1) had been interpreted not to provide *any* right of review for taxpayers. There is thus no indication of any "language on the statute books that [Congress] wishe[d] to change," *United States v. Fausto*, 484 U.S. 439, 453 (1988), implicitly or explicitly. Congress simply prescribed a limited form of review where none had previously been found to exist.

Second, the Hincks assert that vesting jurisdiction over Sec. 6404(e)(1) abatement decisions exclusively in the Tax Court runs contrary to the "entire structure of tax controversy jurisdiction," Brief for Petitioners 30, under which the Tax Court generally hears prepayment challenges to tax liability, see Sec. 6213(a), while postpayment actions are brought in the district courts or Court of Federal Claims. In a related vein, the Hincks point out that the Government's position would force taxpayers seeking postpayment review of their tax liabilities to separate their Sec. 6404(e)(1) abatement claims from their refund claims and bring each in a different court. Even assuming, *arguendo*, that we were inclined to depart from the face of the statute, these arguments are undercut on two fronts. To begin with, by expressly granting to the Tax Court *some* jurisdiction over Sec. 6404(e)(1) decisions, Congress has already broken with the general scheme the Hincks identify. No one doubts that an action seeking review of a Sec. 6404(e)(1) determination may be maintained in the Tax Court even if the interest has already been paid, see, *e.g., Dadian v. Commissioner*, 87 TCM 1344 (2004), ¶2004–121 RIA Memo TC, p. 790–2004; *Miller v. Commissioner*, 79 TCM 2213 (2000), ¶2000–195 RIA Memo TC, p. 1120–2000, aff'd, 310 F.3d 640 (CA9 2002), and the Hincks point to no case where the Tax Court has refused to exercise jurisdiction under such circumstances.

In addition, an interest abatement claim under Sec. 6404(e)(1) involves no questions of substantive tax law, but rather is premised on issues of bureaucratic administration (whether, for example, there was "error or delay" in the performance of a "ministerial" act, Sec. 6404(e)(1)(A)). Judicial review of decisions not to abate requires an evaluation of the internal processes of the IRS, not the underlying tax liability of the taxpayer. We find nothing tellingly awkward about channeling such discrete and specialized questions of administrative operations to one particular court, even if in some respects it "may not appear to be efficient" as a policy matter to separate refund and interest abatement claims. 446 F.3d at 1316.[2]

Last, the Hincks contend that Congress would not have intended to vest jurisdiction exclusively in the Tax Court, because it would lead to the "unreasonable" result that taxpayers with net worths greater than $2 million (for individuals) or $7 million (for businesses) would be foreclosed from seeking judicial review of Sec. 6404(e)(1) refusals to abate. Brief for Petitioners 46; see also *Beall*, 336 F.3d at 430. But we agree with the Federal Circuit that this outcome "was contemplated by Congress." 446 F.3d at 1316. The net-worth limitation in Sec. 6404(h) reflects Congress's judgment that wealthier taxpayers are more likely to be able to pay a deficiency before contesting it, thereby avoiding accrual of interest during their administrative and legal challenges. In contrast, taxpayers with comparatively fewer resources are more likely to contest their assessed deficiency before first paying it, thus exposing themselves to interest charges if their challenge is ultimately unsuccessful. There is nothing "unreasonable" about Congress's decision to grant the possibility of judicial relief only to those taxpayers most likely to be in need of it.[3]

The judgment of the United States Court of Appeals for the Federal Circuit is affirmed.

It is so ordered.

[2] We note that the Hincks sought only interest abatement in the Court of Federal Claims, thus failing to implicate the "claim-splitting" and efficiency concerns they condemn. See Brief for Petitioners 49.

[3] The Hincks also argue that the net-worth limitations on Sec. 6404(h) review violate the due process rights of those taxpayers who exceed them. The court below did not pass upon this constitutional challenge, nor do we, for, as the Hincks concede, the record contains no findings concerning their own net worth, Brief for Petitioners 44, and they offer no reasons to deviate from our general rule that a party "must assert his own legal rights and interests, and cannot rest his claim to relief on the legal rights or interests of third parties," *Kowalski v. Tesmer*, 543 U.S. 125, 129 (2004) (quoting *Warth v. Seldin*, 422 U.S. 490, 499 (1975); internal quotation marks omitted).

Part III. Administrative, Procedural, and Miscellaneous

Social Security Contribution and Benefit Base for 2008

Notice 2007–92

Under the authority contain in the Social Security Act ("the Act"), the Commissioner, Social Security Administration, has determined and announced (72 F.R. 60703, dated October 24, 2007) that the contribution and benefit base for remuneration paid in 2008, and self-employment income earned in tax years beginning in 2008 is $102,000.

"Old-Law" Contribution and Benefit Base

General

The "old-law" contribution and benefit base for 2008 is $75,900. This is the base that would have been effective under the Act without the enactment of the 1977 amendments.

The "old-law" contribution and benefit base is used by:

(a) The Railroad Retirement program to determine certain tax liabilities and tier II benefits payable under that program to supplement the tier I payments which correspond to basic Social Security benefits,

(b) the Pension Benefit Guaranty Corporation to determine the maximum amount of pension guaranteed under the Employee Retirement Income Security Act (as stated in section 230(d) of the Social Security Act),

(c) Social Security to determine a year of coverage in computing the special minimum benefit, as described earlier, and

(c) Social Security to determine a year of coverage (acquired whenever earnings equal or exceed 25 percent of the "old-law" base for this purpose only) in computing benefits for persons who are also eligible to receive pensions based on employment not covered under section 210 of the Act.

Domestic Employee Coverage Threshold

General

The minimum amount a domestic worker must earn so that such earnings are covered under Social Security or Medicare is the domestic employee coverage threshold. For 2008, this threshold is $1,600. Section 3121(x) of the Internal Revenue Code provides the formula for increasing the threshold.

Computation

Under the formula, the domestic employee coverage threshold amount for 2008 shall be equal to the 1995 amount of $1,000 multiplied by the ratio of the national average wage index for 2006 to that for 1993. If the resulting amount is not a multiple of $100, it shall be rounded to the next lower multiple of $100.

Domestic Employee Coverage Threshold Amount

Multiplying the 1995 domestic employee coverage threshold amount ($1,000) by the ratio of the national average wage index for 2006 ($38,651.41) to that for 1993 ($23,132.67) produces the amount of $1,670.86. We then round this amount to $1,600. Accordingly, the domestic employee coverage threshold amount is $1,600 for 2008.

(Filed by the Office of the Federal Register on October 24, 2007, 8:45 a.m., and published in the issue of the Federal Register for October 25, 2007, 72 F.R. 60703)

Part IV. Items of General Interest

Notice of Proposed Rulemaking and Notice of Public Hearing

User Fees Relating to Enrollment to Perform Actuarial Services

REG–134923–07

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains proposed regulations relating to user fees for the initial and renewed enrollment to become an enrolled actuary. The charging of user fees is authorized by the Independent Offices Appropriations Act (IOAA) of 1952. This document also contains a notice of public hearing on these proposed regulations.

DATES: Written or electronic comments must be received by November 26, 2007. Outlines of topics to be discussed at the public hearing scheduled for November 26, 2007, at 10 a.m., must be received by November 19, 2007.

ADDRESSES: Send comments to: CC:PA:LPD:PR (REG–134923–07), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG–134923–07), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC. Alternatively, submissions may be sent electronically via the Federal eRulemaking Portal at *www.regulations.gov* (IRS REG–134923–07).

FOR FURTHER INFORMATION CONTACT: Concerning submissions of comments and/or to be placed on the building access list to attend the hearing *Richard.A.Hurst@irscounsel.treas.gov* or at (202) 622–7180; concerning cost methodology, Eva J. Williams at (202) 435–5514; concerning the proposed regulations, Joel Rutstein at (202) 622–4940 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

The Employee Retirement Income Security Act of 1974 (Public Law 93–406) ordered the Secretary of Labor and the Secretary of Treasury to establish a Joint Board for the Enrollment of Actuaries. 29 U.S.C. 1241. The Joint Board shall, by regulation, establish reasonable standards and qualifications for persons performing actuarial services and the Joint Board shall enroll such individuals who, upon application, satisfy such standards and qualifications. 29 U.S.C. 1242(a). The regulations at 20 CFR Part 901, Subpart B address eligibility for enrollment and renewal of enrollment. Pursuant to the Joint Board's bylaws, the Secretary of the Treasury is to appoint an Executive Director to the Board who has the delegated authority to administer the Board's enrollment program. The Secretary of the Treasury has delegated these functions to the Internal Revenue Service and the costs of these activities are borne by the Service.

20 CFR 901.11(d)(4) provides for a reasonable non-refundable fee for applications for renewal of enrollment. Form 5434–A, "*Application for Renewal of Enrollment*" presently states that the renewal fee is $25. Proposed 26 CFR 300.7 and 300.8 establish separate $250 user fees for the enrollment and renewal of enrollment process. These fees represent the IRS's costs in administering the program, and the $250 fee for renewal of enrollment will supplant the $25 fee.

Authority

The IOAA of 1952 (31 U.S.C. 9701) authorizes agencies to prescribe regulations that establish charges for services provided by the agency. The charges must be fair and be based on the costs to the Government, the value of the service to the recipient, the public policy or interest served, and other relevant facts. The IOAA of 1952 provides that regulations implementing user fees are subject to policies prescribed by the President, which are currently set forth in OMB Circular A–25, 58 FR 38142 (July 15, 1993) (the OMB Circular).

The OMB Circular encourages user fees for government-provided services that confer benefits on identifiable recipients over and above those benefits received by the general public. Under the OMB Circular, an agency that seeks to impose a user fee for government-provided services must calculate its full cost of providing those services. In general, a user fee should be set at an amount in order for the agency to recover the cost of providing the special service, unless the Office of Management and Budget grants an exception. Pursuant to the guidelines in the OMB Circular, the IRS has calculated its cost of providing services under the enrolled actuaries program. The IRS has determined that the full cost of administering the enrollment and re-enrollment processes is $250 per enrolled actuary per process.

The proposed user fees will be implemented under the authority of the IOAA of 1952 and the OMB Circular.

Proposed Effective Date

These regulations are proposed to apply thirty days after the date of publication in the **Federal Register** of the final regulations.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. Accordingly, a regulatory flexibility analysis is not required. This certification is based on the information that follows. These proposed rules affect enrolled actuaries, of which there are currently 4,600 active. The economic impact of these regulations on any small entity would result from a small entity, including a sole proprietor, being required to pay a fee prescribed by these regulations in order to obtain a particular service. The appropriate NAICS

codes for enrolled actuaries relate to Insurance Other (524298) and Administrative and General Management Consulting, Including Financial Consulting (541611). Entities identified under these codes are considered small under the SBA size standards (13 CFR 121.201) if their annual revenue is less than $6.5 million. The IRS estimates that as many as 2,070 enrolled actuaries may be operating as or employed by small entities. Therefore, the IRS has determined that these proposed rules will affect a substantial number of small entities. The dollar amounts of the fees are not, however, substantial enough to have a significant economic impact on any entity subject to the fees. The amounts of the fees are commensurate with, if not less than, the amount charged by professional organizations. Persons who elect to apply for enrollment or renewal of enrollment also receive benefits from obtaining the enrolled actuary designation. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact.

Comments and Public Hearing

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

A public hearing has been scheduled for November 26, 2007 at 10:00 a.m. in room 3716. Due to building security procedures, all visitors must present photo identification to enter the building. Because of access restrictions, visitors will not be admitted beyond the immediate entrance area more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the "FOR FURTHER INFORMATION CONTACT" section of this preamble.

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing must submit electronic or written comments by November 26, 2007 and an outline of the comments to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by November 19, 2007. A period of ten (10) minutes will be allotted to each person for making comments. An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

Drafting Information

The principal author of these regulations is Joel S. Rutstein of the Office of the Associate Chief Counsel (Procedure & Administration).

* * * * *

Proposed Amendments to the Regulations

Accordingly, 26 CFR Part 300 is proposed to be amended as follows:

PART 300—USER FEES

Paragraph 1. The authority citation for part 300 continues to read as follows:

Authority: 31 U.S.C. 9701.

Par. 2. Section 300.0 is amended as follows:

1. Paragraphs (b)(7) and (b)(8) are added.

2. Paragraph (c) is revised.

The additions and revision read as follows:

§300.0 User fees, in general.

* * * * *

(b) * * *

(7) Enrolling an enrolled actuary.

(8) Renewing the enrollment of an enrolled actuary.

(c) *Effective/applicability date*. This part 300 is applicable March 16, 1995, except that the user fee for processing offers in compromise is applicable November 1, 2003; the user fee for the special enrollment examination, enrollment, and renewal of enrollment for enrolled agents is applicable November 6, 2006; the user fee for entering into installment agreements on or after January 1, 2007, is applicable January 1, 2007; the user fee for restructuring or reinstatement of an installment agreement on or after January 1, 2007, is applicable January 1, 2007; and the user fee for the enrollment and renewal of enrollment for enrolled actuaries is applicable thirty days after the date of publication in the **Federal Register** of the final regulations.

Par. 3. Section 300.7 is added to read as follows:

§300.7 Enrollment of enrolled actuary fee.

(a) *Applicability*. This section applies to the initial enrollment of enrolled actuaries with the Joint Board for the Enrollment of Actuaries pursuant to 20 CFR Part 901.

(b) *Fee*. The fee for initially enrolling as an enrolled actuary with the Joint Board for the Enrollment of Actuaries is $250.00.

(c) *Person liable for the fee*. The person liable for the enrollment fee is the applicant filing for enrollment as an enrolled actuary with the Joint Board for the Enrollment of Actuaries.

Par. 5. Section 300.8 is added to read as follows:

§300.8 Renewal of enrollment of enrolled actuary fee.

(a) *Applicability*. This section applies to the renewal of enrollment of enrolled actuaries with the Joint Board for the Enrollment of Actuaries pursuant to 20 CFR Part 901.

(b) *Fee*. The fee for renewal of enrollment as an enrolled actuary with the Joint Board for the Enrollment of Actuaries is $250.00.

(c) *Person liable for the fee*. The person liable for the renewal of enrollment fee is the person renewing their enrollment as an enrolled actuary with the Joint Board for the Enrollment of Actuaries.

Linda E. Stiff,
Deputy Commissioner for Services and Enforcement.

(Filed by the Office of the Federal Register on October 26, 2007, 4:29 p.m., and published in the issue of the Federal Register for October 31, 2007, 72 F.R. 61583)

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

Announcement 2007-104

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

To enable attorneys, certified public accountants, enrolled agents, and enrolled actuaries to identify persons to whom these restrictions apply, the Director, Office of Professional Responsibility, will announce in the Internal Revenue Bulletin their names, their city and state, their professional designation, the effective date of disciplinary action, and the period of suspension. This announcement will appear in the weekly Bulletin at the earliest practicable date after such action and will continue to appear in the weekly Bulletins for five successive weeks.

Reinstatement To Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, The Director, Office of Professional Responsibility, may entertain a petition for reinstatement for any attorney, certified public accountant, enrolled agent, or enrolled actuary censured, suspended, or disbarred, from practice before the Internal Revenue Service.

The following individuals' eligibility to practice before the Internal Revenue Service has been restored:

Name	Address	Designation	Date of Reinstatement
Dotson, Lewis S.	Mattoon, IL	Attorney	April 8, 2007
Adams, Jr., Joseph T.	Philadelphia, PA	Enrolled Agent	July 30, 2007
Cramer, George C.	Chicago, IL	CPA	July 30, 2007
Garlikov, Mark B.	Dayton, OH	Attorney	July 30, 2007
Grant, Elaine C.	Woodway, WA	Enrolled Agent	July 30, 2007
Rubesh, Leland	Gillette, WY	CPA	July 30, 2007
Schawe, Rudolph B.	Brenham, TX	Enrolled Agent	July 30, 2007
Sobel, Herbert L.	Elkins Park, PA	CPA	July 30, 2007
Welch, Frank G.	Stamford, CT	CPA	July 30, 2007
Ferguson, Charles E.	Naples, FL	CPA	July 31, 2007
Lim, Edgar E.	St. Louis, MO	Attorney	July 31, 2007
Sneathen, Lowell D.	Orange, CA	CPA	August 30, 2007
Smith, David B.	Kettering, OH	Enrolled Agent	September 9, 2007
Young, Ronald B.	Fairfield, CT	CPA	September 9, 2007
Sheiman, Alan P.	Sherman Oaks, CA	Enrolled Agent	September 14, 2007
DiSiena, Frank E.	Somers, NY	CPA	September 19, 2007

Name	Address	Designation	Date of Reinstatement
Leggio, Joseph J.	Katonah, NY	CPA	September 24, 2007

Consent Suspensions From Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, an attorney, certified public accountant, enrolled agent, or enrolled actuary, in order to avoid the institution or conclusion of a proceeding for his or her disbarment or suspension from practice before the Internal Revenue Service, may offer his or her consent to suspension from such practice. The Director, Office of Professional Responsibility, in his discretion, may suspend an attorney, certified public accountant, enrolled agent, or enrolled actuary in accordance with the consent offered.

The following individuals have been placed under consent suspension from practice before the Internal Revenue Service:

Name	Address	Designation	Date of Suspension
Hunter, Richard	Moweaqua, IL	Enrolled Agent	Indefinite from July 16, 2007
Sheehy, William J.	Northville, MI	Attorney	Indefinite from July 16, 2007
Szwyd, Edward R.	Housatonic, MA	CPA	Indefinite from July 16, 2007
Lettieri, Louis E.	Red Bank, NJ	CPA	Indefinite from August 1, 2007
Stein, Jerold A.	Alpharetta, GA	CPA	Indefinite from August 1, 2007
Tutino, Philip R.	East Hampton, NY	CPA	Indefinite from August 1, 2007
Dorr, Mark A.	Gillette, WY	CPA	Indefinite from August 7, 2007
Nelson, Carole S.	Riverside, CA	Enrolled Agent	Indefinite from August 8, 2007
Siegel, Herbert	New City, NY	CPA	Indefinite from August 10, 2007
Taylor, Linda W.	Las Vegas, NV	CPA	Indefinite from August 15, 2007
Finkelstein, Meyer	Staten Island, NY	CPA	Indefinite from August 15, 2007

Name	Address	Designation	Date of Suspension
Schenck, Thomas M.	Tampa, FL	CPA	Indefinite from August 20, 2007
Shah, Sudhir P.	Richardson, TX	CPA	Indefinite from August 20, 2007
Bender, Elmer P.	Missoula, MT	CPA	Indefinite from August 31, 2007
Tselepis, John	Jarrettsville, MD	CPA	Indefinite from September 5, 2007
Perez, Ricardo L.	Cedar Lake, IN	CPA	Indefinite from September 10, 2007
Golden, Roberta A.	Framington, MA	Attorney	Indefinite from September 13, 2007
Ward, Thomas R.	St. Louis Park, MN	Attorney	Indefinite from September 13, 2007

Expedited Suspensions From Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, the Director, Office of Professional Responsibility, is authorized to immediately suspend from practice before the Internal Revenue Service any practitioner who, within five years from the date the expedited proceeding is instituted (1) has had a license to practice as an attorney, certified public accountant, or actuary suspended or revoked for cause or (2) has been convicted of certain crimes.

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

Name	Address	Designation	Date of Suspension
Murphy, John F.	Wellsboro, PA	Attorney	Indefinite from June 28, 2007
Aakre, Steven K.	Hawley, MN	Attorney	Indefinite from July 11, 2007
Brogan, Jane K.	York, NE	Attorney	Indefinite from July 11, 2007
Clark, Clifford A.	Raleigh, NC	CPA	Indefinite from July 11, 2007

Name	Address	Designation	Date of Suspension
Downing, Jr., Eugene W.	Arlington, MA	Attorney	Indefinite from July 11, 2007
Kahn, Arthur M.	Woodstock, NY	Attorney	Indefinite from July 11, 2007
Kossmeyer, Carl F.	Town and Country, MO	CPA	Indefinite from July 11, 2007
Lee, John C.	Charlotte, NC	Attorney	Indefinite from July 11, 2007
McAvoy, Donald L.	Windermere, FL	CPA	Indefinite from July 11, 2007
McCabe, Edwin A.	Gloucester, MA	Attorney	Indefinite from July 11, 2007
O'Donnell, Judith R.	Westborough, MA	Attorney	Indefinite from July 11, 2007
Taylor, John G.	Lincoln, NE	Attorney	Indefinite from July 11, 2007
Turner, D. Scott	Mooresville, NC	Attorney	Indefinite from July 11, 2007
Csaszar, James J.	Columbus, OH	CPA	Indefinite from July 13, 2007
Fischer, Mark W.	Boulder, CO	Attorney	Indefinite from July 16, 2007
Behunin, Michael N.	Sandy, UT	Attorney	Indefinite from August 8, 2007
Carpenter, Jr., Darwin R.	Melbourne, FL	CPA	Indefinite from August 23, 2007
Gresham, James L.	Broken Arrow, OK	CPA	Indefinite from August 23, 2007
Krezminski, Allen D.	Milwaukee, WI	Attorney	Indefinite from August 23, 2007

Name	Address	Designation	Date of Suspension
Neary, Hugh M.	Ottumwa, IA	Attorney	Indefinite from August 23, 2007
Weiss, Randy A.	Potomac, MD	Attorney	Indefinite from August 23, 2007
Whiddon, Edward L.	Houston, TX	CPA	Indefinite from August 23, 2007
Hazen, Robert D.	Lindon, UT	CPA	Indefinite from August 29, 2007
Schafer, III, Harry J.	Edmond, OK	CPA	Indefinite from September 6, 2007
Pullin, Wendy F.	San Antonio, TX	CPA	Indefinite from September 24, 2007

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

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

Name	Address	Designation	Effective Date
Newton, Douglas M.	Fernandina Beach, FL	CPA	Indefinite from June 4, 2007
Snell, Barry A.	Santa Monica, CA	CPA	Indefinite from June 6, 2007
Khoury, Naif S.	Fort Smith, AR	Attorney	Indefinite from June 14, 2007
Bukovac, Jane	Alexandria, VA	Enrolled Agent	Indefinite from June 29, 2007
Kreke, David J.	Bartelso, IL	Enrolled Agent	Indefinite from July 12, 2007
Dunkley, John D.	San Antonio, TX	Enrolled Agent	Indefinite from July 27, 2007

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

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

Name	Address	Designation	Effective Date
Ruocchio, Robert	Havertown, PA	CPA	June 11, 2007
Turner, John S.	Paradise, CA	Enrolled Agent	June 15, 2007
Johnson, Ted R.	Frankfort, IN	Attorney	July 30, 2007
Ayers, Dani D.	Kelseyville, CA	Enrolled Agent	August 6, 2007

Foundations Status of Certain Organizations

Announcement 2007–108

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:

A Plus Care Development, Inc., San Bernardino, CA
ABC Ministry & Counseling Center, Inc., Brooklyn, NY
Advantage Rutherford Foundation, Rutherfordton, NC
AFRI — Assistance for Refugees, Inc., Brooklyn, NY
Angels of Mercy Aviation Corp., Inc., Warrensburg, MO
Babblingbrook Family Learning Center, Inc., East Boston, MA
Bayside Lions Service, Inc., Bacliff, TX
Big Picture Social Marketing, Overbrook, KS
Big P.L.A.Y. (Planning, Life, Athletic, Youth) League, Alta Loma, CA
Brothers of One Kind Child Development and Learning Center, Moreno Valley, CA
CAFMA, Inc., St. Albans, NY
Caring and Sharing for the Homeless, Inc., Ellicott City, MD
Case Management Resources, Inc., Ridgway, PA
Center for Adaptive Policy in Ecosystems, Mukilteo, WA
Concerts by the Sea, Swampscott, MA
Crosswoods Entertainment Incorporated, Santa Monica, CA
Daybreakers Foundation, Branson, MO
Dimension Family Development, Stafford, VA
Discover America Foundation, Richmond, CA
Dormay Learning Institute, Incorporated, Miami, FL
Dunleith Railroad Historical Society, East Dubuque, IL
Eastside Extreme, Bothell, WA
Family Institute, Inc., Lexington, KY
Foundation for Learning Development, Manhattan Beach, CA
Free Energy, South Lake Tahoe, CA
Friends of City University, Inc., Washington, DC
Global Foundation for Education Development, Inc., Arlington, VA
Good Samaritan Corporation, Burlington, NJ
Great Commission International Ministries, Cullman, AL
Greenlife Enrichment, Inc., Pasadena, CA
Hearts Senior Citizens, Denver, CO
Historic Herbert House Events Facility, Vallejo, CA
Hollywood Community Corporation, Inc., Fayette, MS
Homeplanner Institute, Houston, TX
Hope for the Hurting Ministries, Inc., Mesa, AZ
Indiana Public Health Institute, Inc., Indianapolis, IN
Individuals With Disabilities Enabling Advocacy Link-IDEAL, Bedminister, NJ
International Brotherhood in Recovery, Sunrise, FL
International Center for Ethics and Workforce Readiness, Panama City Beach, FL
James Thompson Community Development, Inc., Pensacola, FL
Just Alternatives, Brooklin, MA
Juventud Encantador, Hillsborough, CA
Kendrick Foundation, Inc., Mooresville, IN
Kims Extended Learning Center, Inc., Memphis, TN
Kosas, New Orleans, LA
KWJWD Ministries, Moreno Valley, CA
Life Care Ministries, Inc., Fort Pierce, FL
Lupus Clinical Trials Consortium, Princeton, NJ
Malcolm X— Ella L. Little Collins Family Foundation, Inc., Boston, MA
Markee Pet Refuge, Salem, OR
MB Comprehensive Social Services, Compton, CA
Me Too Youth Foundation, Oakland, CA
Michael Jefferson Outreach Ministries, Starkville, MS
Militis Christi, Inc., Austin, TX
Ministries of the Well, Albuquerque, NM

Mount Olive Community Development Corporation, Riverside, CA
Multgenerational Outreach Center, Inc., Missouri City, TX
MVP Outreach, Inc., Greenville, SC
National Council on Paint Disposition, Inc., East Brunswick, NJ
National Organization of Pacific Islanders in America, Waldorf, MD
No-Charge Cards, Nassau, NY
North American Foundation for Keele University, Inc., New York, NY
North Carolina Cotton Foundation, Inc., Nashville, NC
Olive Branch Animal Rescue & Refuge, Inc., Sistersville, WV
Omni Educational & Cultural Foundation, St. Charles, MO
One Village, Inc., Lilburn, GA
Paragon Payee Services, Inc., Vancouver, WA
Pardada Pardadi Educational Society, Inc., Fairfax, VA
Payton Memorial Education Foundation, Inc., Hialeah, FL
PEAK Institute, Inc., Adrian, MI
Pentacle Educational, Inc., Hazel Crest, IL
Premier Youth Opportunity Center, West Covina, CA
Progressive Development Corporation, Gloucester, MA
Project Outreach — Early Breast Care Education Screening & Advocacy, Inc., Oklahoma City, OK
Rainbow Wellness Center, Galloway, NJ
Red Hill Community Unit 10 Academic Foundation, Bridgeport, IL
Restoring Hope, Inc., New Orleans, LA
Richard A. Coz SJ Foundation, Ltd., Redwood City, CA
Rohnert Park Boards and Blades Corporation, Rohnert Park, CA
Rosa Parks School Collaborative, Berkley, CA
Scott Anderson Ministries, Inc., Kalamazoo, MI
Shalom Oasis Ministries, Inc., Raleigh, NC
Societa Dante Alighier, Inc., Isle of Palms, SC
Spelling Bee Competition, Inc., Chicago, IL
Ssanyu Youth Aid International, Farmington Hills, MI
Tedrow Home Educators Network, Wauseon, OH
They Are Helping People, New Caney, TX
Towpath Lodge Association, Inc., Brockport, NY
Universal Haitian Development & Relief Fund, Inc., Bridgeport, GA
Vision and Leadership Community Foundation, Frisco, TX
Vision Communities, Inc., Indianapolis, IN
Water Walker Ministries Incorporated, Fayetteville, GA
Wes Becker Public School Survival Fund, Inc., Eugene, OR
We Will Stand, Burbonnais, IL
Work-Scholarship Connection, Inc., Oxford, NC
Zoe Music Ministries, Inc., Coral Springs, FL

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.

Consolidated Returns; Intercompany Obligations; Correction

Announcement 2007–109

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking and withdrawal of proposed regulations.

SUMMARY: This document contains corrections to a notice of proposed rulemaking (REG–107592–00, 2007–44 I.R.B. 908) and withdrawal of proposed regulations (REG–105964–98, 2007–44 I.R.B. 908) that were published in the **Federal Register** on Friday, September 28, 2007 (72 FR 55139) providing guidance regarding the treatment of transactions involving obligations between members of a consolidated group and the treatment of transactions involving the provision of insurance between members of a consolidated group. The regulations will affect corporations filing consolidated returns.

FOR FURTHER INFORMATION CONTACT: Frances L. Kelly, (202) 622–7770 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The correction notice that is the subject of this document is under section 1502 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (REG–107592–00) and withdrawal of proposed regulations (REG–105964–98) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of proposed rulemaking (REG–107592–00) and withdrawal of proposed regulations (REG–105964–98), which were the subjects of FR Doc. E7–19134, is corrected as follows:

1. On page 55142, column 3, in the preamble, under the paragraph heading "E. Material Tax Benefit Rule", eleventh line of the third paragraph, the language "a material tax benefit that would not" is corrected to read "a material Federal tax benefit that would not".

2. On page 55143, column 1, in the preamble, under the paragraph heading "F. Off-Market Issuance Rule", eleventh line of the second paragraph of the column, the language "tax benefit. In such cases, the" is corrected to read "Federal tax benefit. In such cases, the".

3. On page 55143, column 1, in the preamble, under the paragraph heading "G. Outbound Transactions", eighth line of the first paragraph, the language "obligation that became intercompany" is corrected to read "obligation that became an intercompany".

4. On page 55144, column 1, in the preamble, under the paragraph heading "I.

Other Request for Comments", eleventh line of the first full paragraph of the column, the language "and basis (such as the issuance of note" is corrected to read "and basis (such as the issuance of a note".

§ 1.1502–13 [Corrected]

5. On page 55146, column 2, § 1.1502–13(g)(2)(v), second line of the paragraph, the language "of a material net reduction in income or" is corrected to read "of, for Federal tax purposes, a material net reduction in income or".

6. On page 55146, column 3, § 1.1502–13(g)(3)(i)(B), last line of the paragraph, the language "or (*6*) of this section apply." is corrected to read "or (*6*) of this section apply. The exceptions are as follows.".

7. On page 55147, column 3, § 1.1502–13(g)(4)(iii), last line of the paragraph, the language "market interest rates." is corrected to read "market interest rates).".

8. On page 55149, column 2, § 1.1502–13(g)(7)(ii) *Example 2*.(vi), sixth line of the paragraph, the language "as selling all of its assets to X, including the" is corrected to read "as selling all of its assets to new S, including the".

9. On page 55149, column 2, § 1.1502–13(g)(7)(ii) *Example 2*.(vi), seventeenth line of the paragraph, the language "to X for $70, the amount realized with" is corrected to read "to new S for $70, the amount realized with".

10. On page 55150, column 3, § 1.1502–13(g)(7)(ii) *Example 6*.(i), sixth line of the paragraph, the language "repayment of $100 at the end of year 5. The" is corrected to read "repayment of $100 at the end of year 20. The".

11. On page 55151, column 1, § 1.1502–13(g)(7)(ii) *Example 8*.(i), third line of the paragraph, the language "from a separate return limitation year (SRLY)." is corrected to read "from a separate return limitation year that is subject to limitation under § 1.1502–21(c) (a SRLY loss).".

12. On page 55151, column 2, § 1.1502–13(g)(7)(ii) *Example 9*.(i), third through fourth lines of the paragraph, the language "material loss from a separate return limitation year (SRLY). T's sole shareholder," is corrected to read "material SRLY loss. T's sole shareholder,".

13. On page 55151, column 3, § 1.1502–13(g)(7)(ii) *Example 10*.(iii), ninth line of the paragraph, the language "principal amount, and a fair market value of" is corrected to read "principal amount, and fair market value of".

LaNita Van Dyke,
Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

(Filed by the Office of the Federal Register on October 30, 2007, 8:45 a.m., and published in the issue of the Federal Register for October 31, 2007, 72 F.R. 61582)

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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