

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.

SPECIAL ANNOUNCEMENT

Announcement 2005-81, page 941.

The Eighteenth Annual Institute on Current Issues in International Taxation, jointly sponsored by the Internal Revenue Service and The George Washington University Law School, will be held on December 8 and 9, 2005, at the J.W. Marriott Hotel in Washington, DC.

INCOME TAX

Rev. Rul. 2005-70, page 919.

2005 base period T-bill rate. The "base period T-bill rate" for the period ending September 30, 2005, is published as required by section 995(f) of the Code.

Rev. Rul. 2005-71, page 923.

Federal rates; adjusted federal rates; adjusted federal long-term rate and the long-term exempt rate. For purposes of sections 382, 642, 1274, 1288, and other sections of the Code, tables set forth the rates for November 2005.

Announcement 2005-79, page 941.

Form 8884, *New York Liberty Zone Business Employee Credit*, is obsolete as of December 31, 2004. As a result, any carry-forward credit from Form 8884 is now reported in Section B of Form 8835, *Renewable Electricity, Refined Coal, and Indian Coal Production Credit*.

EMPLOYEE PLANS

Notice 2005-75, page 929.

2006 cost-of-living adjustments; retirement plans, etc. This notice sets forth certain cost-of-living adjustments effective January 1, 2006, applicable to the dollar limits on benefits under qualified defined benefit pension plans and to other provisions affecting (1) certain plans of deferred compensation and (2) "control employees." This notice restates the data in News Release IR-2005-120 issued October 14, 2005.

EXEMPT ORGANIZATIONS

Announcement 2005-82, page 941.

Delta Regional Transit System, Inc., of Greenville, MS; Gibson Trust, Inc., of Hollywood, FL; Housing Development Group, Inc., of Providence, RI; and National Credit Education and Review, of Canton, MI, no longer qualify as organizations to which contributions are deductible under section 170 of the Code.

Announcement 2005-83, page 941.

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

(Continued on the next page)

Announcements of Disbarments and Suspensions begin on page 935.
Finding Lists begin on page ii.



EMPLOYMENT TAX

REG-114371-05, page 930.

Proposed regulations under section 7701 of the Code explain that certain disregarded entities (qualified subchapter S subsidiaries and single owner eligible entities) are to be treated as entities separate from their owners for purposes of paying and reporting federal employment and certain excise taxes.

EXCISE TAX

REG-114371-05, page 930.

Proposed regulations under section 7701 of the Code explain that certain disregarded entities (qualified subchapter S subsidiaries and single owner eligible entities) are to be treated as entities separate from their owners for purposes of paying and reporting federal employment and certain excise taxes.

ADMINISTRATIVE

T.D. 9227, page 924.

REG-114444-05, page 934.

Final, temporary, and proposed regulations under section 7804 of the Code amend 26 CFR Part 801 to clarify when quantity measures, which are not tax enforcement results, may be used in measuring organizational and employee performance.

The IRS Mission

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

applying the tax law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are compiled semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations,

court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part II.—Treaties and Tax Legislation.

This part is divided into two subparts as follows: Subpart A, Tax Conventions and Other Related Items, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.

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

Part IV.—Items of General Interest.

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

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

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

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 42.—Low-Income Housing Credit

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

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

The adjusted applicable federal long-term rate is set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 467.—Certain Payments for the Use of Property or Services

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 482.—Allocation of Income and Deductions Among Taxpayers

Federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 995.—Taxation of DISC Income to Shareholders

2005 base period T-bill rate. The “base period T-bill rate” for the period ending September 30, 2005, is published as required by section 995(f) of the Code.

Rev. Rul. 2005-70

Section 995(f)(1) of the Internal Revenue Code provides that a shareholder of a DISC shall pay interest each taxable year

in an amount equal to the product of the shareholder’s DISC-related deferred tax liability for the year and the “base period T-bill rate.” Under section 995(f)(4), the base period T-bill rate is the annual rate of interest determined by the Secretary to be equivalent to the average of the 1-year constant maturity Treasury yields, as published by the Board of Governors of the Federal Reserve System, for the 1-year period ending on September 30 of the calendar year ending with (or of the most recent calendar year ending before) the close of the taxable year of the shareholder. The base period T-bill rate for the period ending September 30, 2005 is 3.18 percent.

Pursuant to section 6222 of the Code, interest must be compounded daily. The table below provides factors for compounding the base period T-bill rate daily for any number of days in the shareholder’s taxable year (including a 52–53 week accounting period) for the 2005 base period T-bill rate. To compute the amount of the interest charge for the shareholder’s taxable year, multiply the amount of the shareholder’s DISC-related deferred tax liability (as defined in section 995(f)(2)) for that year by the base period T-bill rate factor corresponding to the number of days in the shareholder’s taxable year for which the interest charge is being computed. Generally, one would use the factor for 365 days. One would use a different factor only if the shareholder’s taxable year for which the interest charge being determined is a short taxable year, if the shareholder uses the 52–53 week taxable year, or if the shareholder’s taxable year is a leap year.

For the base period T-bill rates for the periods ending in prior years, see Rev. Rul. 2004-99, 2004-2 C.B. 720, Rev. Rul. 2003-111, 2003-2 C.B. 1009, Rev. Rul. 2002-68, 2002-2 C.B. 808, Rev. Rul. 2001-56, 2001-2 C.B. 500, and Rev. Rul. 2000-52, 2000-2 C.B. 516.

DRAFTING INFORMATION

The principal author of this revenue ruling is David Bergkuist of the Office of the Associate Chief Counsel (International).

For further information about this revenue ruling, contact Mr. Bergkuist at (202) 622-3850 (not a toll-free call).

2005 ANNUAL RATE,
COMPOUNDED DAILY

2005 ANNUAL RATE,
COMPOUNDED DAILY

3.180 PERCENT

3.180 PERCENT

2005 ANNUAL RATE, COMPOUNDED DAILY 3.180 PERCENT		2005 ANNUAL RATE, COMPOUNDED DAILY 3.180 PERCENT	
DAYS	FACTOR	DAYS	FACTOR
1	.000087123	36	.003141225
2	.000174254	37	.003228622
3	.000261393	38	.003316027
4	.000348539	39	.003403439
5	.000435692	40	.003490859
6	.000522854	41	.003578286
7	.000610022	42	.003665721
8	.000697199	43	.003753164
9	.000784383	44	.003840614
10	.000871575	45	.003928072
11	.000958774	46	.004015537
12	.001045981	47	.004103011
13	.001133195	48	.004190491
14	.001220417	49	.004277980
15	.001307647	50	.004365476
16	.001394884	51	.004452979
17	.001482129	52	.004540491
18	.001569381	53	.004628009
19	.001656641	54	.004715536
20	.001743909	55	.004803070
21	.001831184	56	.004890612
22	.001918467	57	.004978161
23	.002005757	58	.005065718
24	.002093055	59	.005153283
25	.002180361	60	.005240855
26	.002267674	61	.005328435
27	.002354995	62	.005416022
28	.002442323	63	.005503618
29	.002529659	64	.005591220
30	.002617003	65	.005678831
31	.002704354	66	.005766449
32	.002791713	67	.005854075
33	.002879080	68	.005941708
34	.002966454	69	.006029349
35	.003053836	70	.006116997
		71	.006204654
		72	.006292317
		73	.006379989
		74	.006467668
		75	.006555355
		76	.006643049
		77	.006730751
		78	.006818461
		79	.006906178
		80	.006993903
		81	.007081636
		82	.007169376
		83	.007257124
		84	.007344880
		85	.007432643
		86	.007520414
		87	.007608192
		88	.007695978
		89	.007783772
		90	.007871574
		91	.007959383
		92	.008047199
		93	.008135024
		94	.008222856
		95	.008310695
		96	.008398543
		97	.008486398
		98	.008574260
		99	.008662131
		100	.008750009
		101	.008837894
		102	.008925788
		103	.009013689
		104	.009101597
		105	.009189513
		106	.009277437
		107	.009365369
		108	.009453308
		109	.009541255
		110	.009629210
		111	.009717172
		112	.009805142
		113	.009893119
		114	.009981104
		115	.010069097

2005 ANNUAL RATE,
COMPOUNDED DAILY

3.180 PERCENT

DAYS	FACTOR
116	.010157098
117	.010245106
118	.010333122
119	.010421145
120	.010509177
121	.010597216
122	.010685262
123	.010773316
124	.010861378
125	.010949448
126	.011037525
127	.011125610
128	.011213703
129	.011301803
130	.011389911
131	.011478026
132	.011566150
133	.011654281
134	.011742419
135	.011830566
136	.011918720
137	.012006881
138	.012095051
139	.012183228
140	.012271412
141	.012359605
142	.012447805
143	.012536013
144	.012624228
145	.012712451
146	.012800682
147	.012888921
148	.012977167
149	.013065421
150	.013153682
151	.013241952
152	.013330229
153	.013418513
154	.013506806
155	.013595106

2005 ANNUAL RATE,
COMPOUNDED DAILY

3.180 PERCENT

DAYS	FACTOR
156	.013683413
157	.013771729
158	.013860052
159	.013948383
160	.014036721
161	.014125068
162	.014213421
163	.014301783
164	.014390152
165	.014478529
166	.014566914
167	.014655306
168	.014743707
169	.014832114
170	.014920530
171	.015008953
172	.015097384
173	.015185823
174	.015274269
175	.015362723
176	.015451185
177	.015539654
178	.015628131
179	.015716616
180	.015805109
181	.015893609
182	.015982117
183	.016070633
184	.016159156
185	.016247687
186	.016336226
187	.016424773
188	.016513327
189	.016601889
190	.016690459
191	.016779036
192	.016867621
193	.016956214
194	.017044815
195	.017133423

2005 ANNUAL RATE,
COMPOUNDED DAILY

3.180 PERCENT

DAYS	FACTOR
196	.017222039
197	.017310663
198	.017399294
199	.017487933
200	.017576580
201	.017665235
202	.017753897
203	.017842567
204	.017931245
205	.018019930
206	.018108624
207	.018197325
208	.018286033
209	.018374750
210	.018463474
211	.018552206
212	.018640945
213	.018729693
214	.018818448
215	.018907211
216	.018995981
217	.019084760
218	.019173546
219	.019262339
220	.019351141
221	.019439950
222	.019528767
223	.019617592
224	.019706424
225	.019795264
226	.019884112
227	.019972968
228	.020061831
229	.020150702
230	.020239581
231	.020328468
232	.020417362
233	.020506264
234	.020595174
235	.020684092

2005 ANNUAL RATE,
COMPOUNDED DAILY

3.180 PERCENT

DAYS	FACTOR
236	.020773017
237	.020861950
238	.020950891
239	.021039840
240	.021128796
241	.021217760
242	.021306732
243	.021395712
244	.021484699
245	.021573694
246	.021662697
247	.021751708
248	.021840726
249	.021929752
250	.022018786
251	.022107828
252	.022196877
253	.022285934
254	.022374999
255	.022464072
256	.022553152
257	.022642240
258	.022731336
259	.022820440
260	.022909551
261	.022998671
262	.023087798
263	.023176933
264	.023266075
265	.023355225
266	.023444383
267	.023533549
268	.023622723
269	.023711904
270	.023801093
271	.023890290
272	.023979495
273	.024068707
274	.024157928
275	.024247156

2005 ANNUAL RATE,
COMPOUNDED DAILY

3.180 PERCENT

DAYS	FACTOR
276	.024336391
277	.024425635
278	.024514886
279	.024604145
280	.024693412
281	.024782687
282	.024871969
283	.024961260
284	.025050558
285	.025139863
286	.025229177
287	.025318498
288	.025407827
289	.025497164
290	.025586509
291	.025675861
292	.025765222
293	.025854590
294	.025943966
295	.026033349
296	.026122741
297	.026212140
298	.026301547
299	.026390962
300	.026480384
301	.026569814
302	.026659253
303	.026748699
304	.026838152
305	.026927614
306	.027017083
307	.027106560
308	.027196045
309	.027285538
310	.027375038
311	.027464547
312	.027554063
313	.027643587
314	.027733118
315	.027822658

2005 ANNUAL RATE,
COMPOUNDED DAILY

3.180 PERCENT

DAYS	FACTOR
316	.027912205
317	.028001760
318	.028091323
319	.028180894
320	.028270472
321	.028360058
322	.028449653
323	.028539254
324	.028628864
325	.028718482
326	.028808107
327	.028897740
328	.028987381
329	.029077030
330	.029166687
331	.029256351
332	.029346023
333	.029435703
334	.029525391
335	.029615087
336	.029704790
337	.029794501
338	.029884220
339	.029973947
340	.030063682
341	.030153425
342	.030243175
343	.030332933
344	.030422699
345	.030512473
346	.030602254
347	.030692044
348	.030781841
349	.030871646
350	.030961459
351	.031051280
352	.031141109
353	.031230945
354	.031320789
355	.031410641

2005 ANNUAL RATE,
COMPOUNDED DAILY
3.180 PERCENT

DAYS	FACTOR
356	.031500501
357	.031590369
358	.031680244
359	.031770128
360	.031860019
361	.031949918
362	.032039825
363	.032129740
364	.032219662
365	.032309593
366	.032399531
367	.032489477
368	.032579431
369	.032669392
370	.032759362
371	.032849339

Section 1274.—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections 42, 280G, 382, 412, 467, 468, 482, 483, 642, 807, 846, 1288, 7520, 7872.)

Federal rates; adjusted federal rates; adjusted federal long-term rate and the long-term exempt rate. For purposes of sections 382, 642, 1274, 1288, and other sections of the Code, tables set forth the rates for November 2005.

Rev. Rul. 2005-71

This revenue ruling provides various prescribed rates for federal income tax purposes for November 2005 (the current month). Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted

AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(2) for buildings placed in service during the current month. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 2005-71 TABLE 1

Applicable Federal Rates (AFR) for November 2005

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	4.04%	4.00%	3.98%	3.97%
110% AFR	4.45%	4.40%	4.38%	4.36%
120% AFR	4.86%	4.80%	4.77%	4.75%
130% AFR	5.27%	5.20%	5.17%	5.14%
<i>Mid-term</i>				
AFR	4.23%	4.19%	4.17%	4.15%
110% AFR	4.66%	4.61%	4.58%	4.57%
120% AFR	5.09%	5.03%	5.00%	4.98%
130% AFR	5.52%	5.45%	5.41%	5.39%
150% AFR	6.39%	6.29%	6.24%	6.21%
175% AFR	7.46%	7.33%	7.26%	7.22%
<i>Long-term</i>				
AFR	4.57%	4.52%	4.49%	4.48%
110% AFR	5.03%	4.97%	4.94%	4.92%
120% AFR	5.49%	5.42%	5.38%	5.36%
130% AFR	5.97%	5.88%	5.84%	5.81%

REV. RUL. 2005-71 TABLE 2
Adjusted AFR for November 2005

	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term adjusted AFR	2.87%	2.85%	2.84%	2.83%
Mid-term adjusted AFR	3.32%	3.29%	3.28%	3.27%
Long-term adjusted AFR	4.22%	4.18%	4.16%	4.14%

REV. RUL. 2005-71 TABLE 3
Rates Under Section 382 for November 2005

Adjusted federal long-term rate for the current month	4.22%
Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.)	4.24%

REV. RUL. 2005-71 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for November 2005

Appropriate percentage for the 70% present value low-income housing credit	8.02%
Appropriate percentage for the 30% present value low-income housing credit	3.44%

REV. RUL. 2005-71 TABLE 5

Rate Under Section 7520 for November 2005

Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest	5.0%
---	------

Section 1288.—Treatment of Original Issue Discount on Tax-Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Section 7804.—Other Personnel

26 CFR 801.1: *Balanced performance measurement system; in general.*

T.D. 9227

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Part 801

Balanced System for Measuring Organizational and Employee Performance Within the Internal Revenue Service

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations.

SUMMARY: This document contains final and temporary regulations relating to the balanced system for measuring organizational and employee performance within the IRS. The temporary regulations prospectively amend the existing final regulations in 26 CFR Part 801 to clarify when quantity measures, which are not tax enforcement results, may be used in measuring organizational and employee performance. The portions of this document that are final regulations provide necessary cross-references to the temporary regulations. These regulations affect internal operations of the IRS and the systems it employs to evaluate the performance of organizations within the IRS. The text of the temporary regulations also serves as the text of proposed regulations

(REG-114444-05) set forth in this issue of the Bulletin.

DATES: *Effective Date:* These regulations are effective on October 17, 2005.

Applicability Date: For dates of applicability, see §§801.7 and 801.8T.

FOR FURTHER INFORMATION CONTACT: Neil Worden, (202) 283-7900 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document amends final regulations in 26 CFR Part 801 (the Final Regulations) that implement the Balanced System for Measuring Organizational and Employee Performance within the IRS. The Final Regulations were published in the **Federal Register** on August 6, 1999 (T.D. 8830, 1999-2 C.B. 430 [64 FR 42834-42837]). The Final Regulations emanated from section 1201 of the Internal Revenue Service Restructuring and Reform Act of 1998, Public Law 105-206, 112 Stat. 685, 713 (1998) (the Act), which required the IRS to establish a performance management system for those employees covered by 5 U.S.C. 4302 that, among other things, establishes “goals or objectives for individual, group, or organizational performance (or any combination thereof), consistent with the IRS’ performance planning procedures, including those established under the Government Performance and Results Act of 1993, division E of the Clinger-Cohen Act of 1966 . . . , Revenue Procedure 64-22 . . . , and taxpayer service surveys.” Section 1201 further required the IRS to use “such goals and objectives to make performance distinctions among employees or groups of employees,” and to use “performance assessments as a basis for granting employee awards, adjusting an employee’s rate of basic pay, and other appropriate personnel actions”

In addition, section 1201 of the Act required that the IRS performance management system comply with section 1204, which prohibits the use of “records of tax enforcement results” (ROTERS) in the evaluation of IRS employees or to suggest or impose production goals for such

employees. Section 1204, however, does not prohibit the use of quantity measures in evaluating organizational and employee performance. The temporary regulations in this document amend the existing regulations in part 801 to clarify when quantity measures may be used in measuring organizational and employee performance.

Explanation of Provisions

The final regulations provide guidance and direction for the establishment of a balanced performance measurement system for the IRS. The three elements of this balanced measurement system are (1) customer satisfaction measures, (2) employee satisfaction measures and (3) business results measures. These organizational measures may be used to evaluate the performance of, or to impose or suggest production goals for, any organizational unit.

The temporary regulations contained in this document relate primarily to the business results measures. Business results are measured through quality measures and quantity measures. Quality measures are based on reviews of a statistically valid sample of cases handled by certain organizational units such as examination, collection and Automated Collection System units. The quality review of other work units is determined according to criteria established by the Commissioner or his delegate.

The IRS and Treasury Department have determined that the provisions of the existing Part 801 regulations that limit the use of quantity measures in evaluating organizational units and imposing or suggesting production goals for employees restrict the IRS’ ability to monitor program performance and track effectiveness of operations, and have caused confusion as to what types of data or measures may be discussed between managers and employees and reflected in manager and employee goals. These temporary regulations remove the limitations on the use of quantity measures in evaluating the performance of, or imposing or suggesting goals for organizational units. These temporary regulations also remove the limitations on the use of quantity measures to impose or suggest goals for employees. The regulations continue to provide that performance measures based on quantity measures will not

be used to evaluate the performance of such employees. The temporary regulations do not affect the continuing prohibition on the use of ROTERS to evaluate employee performance or to impose or suggest production quotas or goals for any employee.

Special Analyses

It has been determined that this 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. For applicability of the Regulatory Flexibility Act, please refer to the cross-reference notice of proposed rulemaking published elsewhere in this Bulletin. Pursuant to section 7805(f) of the Internal Revenue Code, these temporary regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is Karen F. Keller, Office of Associate Chief Counsel (General Legal Services). However, other personnel from the IRS participated in their development.

* * * * *

Amendments to the Regulations

Accordingly, 26 CFR Part 801 is amended as follows:

PART 801—BALANCED SYSTEM FOR MEASURING ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE WITHIN THE INTERNAL REVENUE SERVICE

Paragraph 1. The authority citation for Part 801 continues to read in part as follows:

Authority: 5 U.S.C. 9501 * * *

Par. 2. Section 801.1 is amended by:

1. Adding the new center heading.
2. Removing and reserving paragraph (b).

The addition reads as follows:

REGULATIONS APPLICABLE
BEFORE OCTOBER 17, 2005

*§801.1 Balanced performance
measurement system; in general.*

* * * * *

Par. 3. Section 801.7 is added to read as follows:

§801.7 Effective dates.

The provisions of §§801.1 through 801.6 apply before October 17, 2005. For the applicable provisions on or after October 17, 2005, see §§801.1T through 801.7T.

Par. 4. Sections 801.1T through 801.8T and a new center heading are added to read as follows:

REGULATIONS APPLICABLE ON OR
AFTER OCTOBER 17, 2005

*§801.1T Balanced performance
measurement system; in general
(temporary).*

(a) *In general.* (1) The regulations in this part 801 implement the provisions of sections 1201 and 1204 of the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–106, 112 Stat. 685, 715–716, 722) (the Act) and provide rules relating to the establishment by the Internal Revenue Service (IRS) of a balanced performance measurement system.

(2) Modern management practice and various statutory and regulatory provisions require the IRS to set performance goals for organizational units and to measure the results achieved by those units with respect to those goals. To fulfill these requirements, the IRS has established a balanced performance measurement system, composed of three elements: Customer Satisfaction Measures; Employee Satisfaction Measures; and Business Results Measures. The IRS is likewise required to establish a performance evaluation system for individual employees.

(b) [Reserved].

*§801.2T Measuring organizational
performance (temporary).*

The performance measures that comprise the balanced measurement system

will, to the maximum extent possible, be stated in objective, quantifiable, and measurable terms and will be used to measure the overall performance of various operational units within the IRS. In addition to implementing the requirements of the Act, the measures described here will, where appropriate, be used in establishing performance goals and making performance evaluations established, *inter alia*, under Division E, National Defense Authorization Act for Fiscal Year 1996 (the Clinger-Cohen Act of 1996) (Public Law 104–106, 110 Stat. 186, 679); the Government Performance and Results Act of 1993 (Public Law 103–62, 107 Stat. 285); and the Chief Financial Officers Act of 1990 (Public Law 101–576, 108 Stat. 2838). Thus, organizational measures of customer satisfaction, employee satisfaction, and business results (including quality and quantity measures as described in §801.6T) may be used to evaluate the performance of or to impose or suggest production goals for, any organizational unit.

*§801.3T Measuring employee
performance (temporary).*

(a) *In general.* All employees of the IRS will be evaluated according to the critical elements and standards or such other performance criteria as may be established for their positions. In accordance with the requirements of 5 U.S.C. 4312, 4313, and 9508 and section 1201 of the Act, the performance criteria for each position as are appropriate to that position, will be composed of elements that support the organizational measures of Customer Satisfaction, Employee Satisfaction, and Business Results; however, such organizational measures will not directly determine the evaluation of individual employees.

(b) *Fair and equitable treatment of taxpayers.* In addition to all other criteria required to be used in the evaluation of employee performance, all employees of the IRS will be evaluated on whether they provided fair and equitable treatment to taxpayers.

(c) *Senior Executive Service and special positions.* Employees in the Senior Executive Service will be rated in accordance with the requirements of 5 U.S.C. 4312 and 4313 and employees selected to fill positions under 5 U.S.C. 9503 will

be evaluated pursuant to workplans, employment agreements, performance agreements, or similar documents entered into between the IRS and the employee.

(d) *General workforce.* The performance evaluation system for all other employees will—

(1) Establish one or more retention standards for each employee related to the work of the employee and expressed in terms of individual performance;

(2) Require periodic determinations of whether each employee meets or does not meet the employee's established retention standards;

(3) Require that action be taken in accordance with applicable laws and regulations, with respect to employees whose performance does not meet the established retention standards;

(4) Establish goals or objectives for individual performance consistent with the IRS's performance planning procedures;

(5) Use such goals and objectives to make performance distinctions among employees or groups of employees; and

(6) Use performance assessments as a basis for granting employee awards, adjusting an employee's rate of basic pay, and other appropriate personnel actions, in accordance with applicable laws and regulations.

(e) *Limitations.* (1) No employee of the IRS may use records of tax enforcement results (as described in §801.6T) to evaluate any other employee or to impose or suggest production quotas or goals for any employee.

(i) For purposes of the limitation contained in this paragraph (e), *employee* has the meaning as defined in 5 U.S.C. 2105(a).

(ii) For purposes of the limitation contained in this paragraph (e), *evaluate* includes any process used to appraise or measure an employee's performance for purposes of providing the following:

(A) Any required or requested performance rating.

(B) A recommendation for an award covered by Chapter 45 of Title 5; 5 U.S.C. 5384; or section 1201(a) of the Act.

(C) An assessment of an employee's qualifications for promotion, reassignment, or other change in duties.

(D) An assessment of an employee's eligibility for incentives, allowances, or bonuses.

(E) Ranking of employees for release/recall and reductions in force.

(2) Employees who are responsible for exercising judgment with respect to tax enforcement results in cases concerning one or more taxpayers may be evaluated on work done on such cases only in the context of their critical elements and standards.

(3) Performance measures based in whole or in part on quantity measures (as described in §801.6T) will not be used to evaluate the performance of any non-supervisory employee who is responsible for exercising judgment with respect to tax enforcement results (as described in §801.6T).

§801.4T Customer satisfaction measures (temporary).

The customer satisfaction goals and accomplishments of operating units within the IRS will be determined on the basis of information gathered through various methods. For example, questionnaires, surveys and other types of information gathering mechanisms may be employed to gather data regarding customer satisfaction. Information to measure customer satisfaction for a particular work unit will be gathered from a statistically valid sample of the customers served by that operating unit and will be used to measure, among other things, whether those customers believe that they received courteous, timely, and professional treatment by the IRS personnel with whom they dealt. Customers will be permitted to provide information requested for these purposes under conditions that guarantee them anonymity. For purposes of this section, customers may include individual taxpayers, organizational units, or employees within the IRS and external groups affected by the services performed by the IRS operating unit.

§801.5T Employee satisfaction measures (temporary).

The employee satisfaction numerical ratings to be given operating units within the IRS will be determined on the basis of information gathered through various

methods. For example, questionnaires, surveys, and other information gathering mechanisms may be employed to gather data regarding satisfaction. The information gathered will be used to measure, among other factors bearing upon employee satisfaction, the quality of supervision and the adequacy of training and support services. All employees of an operating unit will have an opportunity to provide information regarding employee satisfaction within the operating unit under conditions that guarantee them anonymity.

§801.6T Business results measures (temporary).

(a) *In general.* The business results measures will consist of numerical scores determined under the quality measures and the quantity measures described elsewhere in this section.

(b) *Quality measures.* Quality measures will be determined on the basis of a review by a specially dedicated staff within the IRS of a statistically valid sample of work items handled by certain functions or organizational units determined by the Commissioner or his delegate such as the following:

(1) *Examination and collection units and Automated Collection System Units (ACS).* The quality review of the handling of cases involving particular taxpayers will focus on such factors as whether IRS personnel devoted an appropriate amount of time to a matter, properly analyzed the facts, and complied with statutory, regulatory, and IRS procedures, including timeliness, adequacy of notifications, and required contacts with taxpayers.

(2) *Toll-free telephone sites.* The quality review of telephone services will focus on such factors as whether IRS personnel provided accurate tax law and account information.

(3) *Other work units.* The quality review of other work units will be determined according to criteria prescribed by the Commissioner or his delegate.

(c) *Quantity measures.* Quantity measures will consist of outcome-neutral production and resource data that does not contain information regarding the tax enforcement result reached in any case that involves particular taxpayers. Examples of quantity measures include, but are not limited to—

- (1) Cases started;
- (2) Cases closed;
- (3) Work items completed;
- (4) Customer education, assistance, and outreach efforts completed;
- (5) Time per case;
- (6) Direct examination time/out of office time;
- (7) Cycle time;
- (8) Number or percentage of overage cases;
- (9) Inventory information;
- (10) Toll-free level of access; and
- (11) Talk time.

(d) *Definitions—(1) Tax enforcement results.* A tax enforcement result is the outcome produced by an IRS employee's exercise of judgment in recommending or determining whether or how the IRS should pursue enforcement of the tax laws. Examples of tax enforcement results include a lien filed, a levy served, a seizure executed, the amount assessed, the amount collected, and a fraud referral. Examples of data that are not tax enforcement results include a quantity measure and data derived from a quality review or from a review of an employee's or a work unit's work on a case, such as the number or percentage of cases in which correct examination adjustments were proposed or appropriate lien determinations were made.

(2) *Records of tax enforcement results.* Records of tax enforcement results are data, statistics, compilations of information or other numerical or quantitative recordations of the tax enforcement results reached in one or more cases. Such records may be used for purposes such as forecasting, financial planning, resource management, and the formulation of case selection criteria. Records of tax enforcement results may be used to develop methodologies and algorithms for use in selecting tax returns to audit. Records of tax enforcement results do not include tax enforcement results of individual cases when used to determine whether an employee exercised appropriate judgment in pursuing enforcement of the tax laws based upon a review of the employee's work on that individual case.

§801.7T Examples (temporary).

(a) The rules of §801.3T are illustrated by the following examples:

Example 1. (i) Each year Division A's Examination and Collection functions develop detailed workplans that set goals for specific activities (*e.g.*, number of audits or accounts closed) and for other quantity measures such as cases started, cycle time, average cases, and direct examination time. These quantity measure goals are developed nationally and by Area Office based on budget allocations, available resources, historical experience, and planned improvements. These plans also include information on measures of quality, customer satisfaction, and employee satisfaction. Results are updated monthly to reflect how each organizational unit is progressing against its workplan, and this information is shared with all levels of management.

(ii) Although specific workplans are not developed at the Territory level, Headquarters management expects the Area Directors to use the information in the Area plans to guide the activity in their Territories. For 2005, Area Office 1's workplan has a goal to close 1,000 examinations of small business corporations and 120,000 taxpayer delinquent accounts (TDAs), and there are 10 Exam Territories and 12 Collection Territories in Area Office 1. While taking into account the mix and priority of workload, and available staffing and grade levels, the Examination Area Director communicates to the Territory Managers the expectation that, on average, each Territory should plan to close about 100 cases. The Collection Area Director similarly communicates to each Territory the expectation that, on average, they will close about 10,000 TDAs, subject to similar factors of workload mix and staffing.

(iii) Similar communications then occur at the next level of management between Territory Managers and their Group Managers, and between Group Managers and their employees. These communications will emphasize the overall goals of the organ-

ization and each employee's role in meeting those goals. The communications will include expectations regarding the average number of case closures that would have to occur to reach those goals, taking into account the fact that each employee's actual closures will vary based upon the facts and circumstances of specific cases.

(iv) Setting these quantity measure goals, and the communication of those goals, is permissible because case closures are a quantity measure. Case closures are an example of outcome-neutral production data that does not specify the outcome of any specific case such as the amount assessed or collected.

Example 2. In conducting a performance evaluation, a supervisor is permitted to take into consideration information the supervisor has developed showing that the employee failed to propose an appropriate adjustment to tax liability in one of the cases the employee examined, provided that information is derived from a review of the work done on the case. All information derived from such a review of individual cases handled by the employee, including time expended, issues raised, and enforcement outcomes reached should be considered and discussed with the employee and used in evaluating the employee.

Example 3. When assigning a case, a supervisor is permitted to discuss with the employee the merits, issues, and development of techniques of the case based upon a review of the case file.

Example 4. A supervisor is not permitted to establish a goal for proposed adjustments in a future examination.

(b) [Reserved].

§801.8T Effective dates (temporary).

(a) The provisions of §§801.1T through 801.7T apply on or after October 17, 2005.

(b) The applicability of §§801.1T through 801.7T expires on or before October 14, 2008.

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

Approved October 3, 2005.

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

(Filed by the Office of the Federal Register on October 14, 2005, 8:45 a.m., and published in the issue of the Federal Register for October 17, 2005, 70 F.R. 60214)

Section 7872.—Treatment of Loans With Below-Market Interest Rates

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2005. See Rev. Rul. 2005-71, page 923.

Part III. Administrative, Procedural, and Miscellaneous

2006 Limitations Adjusted As Provided in Section 415(d), etc.¹

Notice 2005-75

Section 415 of the Internal Revenue Code (the Code) provides for dollar limitations on benefits and contributions under qualified retirement plans. Section 415 also requires that the Commissioner annually adjust these limits for cost-of-living increases. Other limitations applicable to deferred compensation plans are also affected by these adjustments. Many of the limitations will change for 2006. For most of the limitations, the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment. Furthermore, several of these limitations, set by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), are scheduled to increase at the beginning of 2006. For example, under EGTRRA, the limitation under § 402(g)(1) of the Code on the exclusion for elective deferrals described in § 402(g)(3) is increased from \$14,000 to \$15,000. This limitation affects elective deferrals to section 401(k) plans and to the Federal Government's Thrift Savings Plan, among other plans.

Cost-of-Living limits for 2006

Effective January 1, 2006, the limitation on the annual benefit under a defined benefit plan under § 415(b)(1)(A) is increased from \$170,000 to \$175,000. For participants who separated from service before January 1, 2006, the limitation for defined benefit plans under § 415(b)(1)(B) is computed by multiplying the participant's compensation limitation, as adjusted through 2005, by 1.0383.

The limitation for defined contribution plans under § 415(c)(1)(A) is increased from \$42,000 to \$44,000.

The Code provides that various other dollar amounts are to be adjusted at the same time and in the same manner as the dollar limitation of § 415(b)(1)(A). These dollar amounts and the adjusted amounts are as follows:

The annual compensation limit under §§ 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) is increased from \$210,000 to \$220,000.

The dollar limitation under § 416(i)(1)(A)(i) concerning the definition of key employee in a top-heavy plan is increased from \$135,000 to \$140,000.

The dollar amount under § 409(o)(1)(C)(ii) for determining the maximum account balance in an employee stock ownership plan subject to a 5-year distribution period is increased from \$850,000 to \$885,000, while the dollar amount used to determine the lengthening of the 5-year distribution period is increased from \$170,000 to \$175,000.

The limitation used in the definition of highly compensated employee under § 414(q)(1)(B) is increased from \$95,000 to \$100,000.

The annual compensation limitation under § 401(a)(17) for eligible participants in certain governmental plans that, under the plan as in effect on July 1, 1993, allowed cost-of-living adjustments to the compensation limitation under the plan under § 401(a)(17) to be taken into account, is increased from \$315,000 to \$325,000.

The compensation amount under § 408(k)(2)(C) regarding simplified employee pensions (SEPs) remains unchanged at \$450.

The compensation amounts under § 1.61-21(f)(5)(i) of the Income Tax Regulations concerning the definition of "control employee" for fringe benefit valuation purposes remains unchanged at \$85,000. The compensation amount under § 1.61-21(f)(5)(iii) is increased from \$170,000 to \$175,000.

The limitation under § 408(p)(2)(E) regarding SIMPLE retirement accounts remains unchanged at \$10,000.

Limitations specified by statute

The Code, as amended by EGTRRA, specifies the applicable dollar amount for a particular year for certain limitations. These applicable dollar amounts are as follows:

The limitation under § 402(g)(1) on the exclusion for elective deferrals described in § 402(g)(3) is increased from \$14,000 to \$15,000.

The limitation on deferrals under § 457(e)(15) concerning deferred compensation plans of state and local governments and tax-exempt organizations is increased from \$14,000 to \$15,000.

The dollar limitation under § 414(v)(2)(B)(i) for catch-up contributions to an applicable employer plan other than a plan described in § 401(k)(11) or 408(p) for individuals aged 50 or over is increased from \$4,000 to \$5,000. The dollar limitation under § 414(v)(2)(B)(ii) for catch-up contributions to an applicable employer plan described in § 401(k)(11) or 408(p) for individuals aged 50 or over is increased from \$2,000 to \$2,500.

Administrators of defined benefit or defined contribution plans that have received favorable determination letters should not request new determination letters solely because of yearly amendments to adjust maximum limitations in the plans.

Drafting Information

The principal author of this notice is John Heil of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding the data in this notice, please contact the Employee Plans' taxpayer assistance telephone service at 1-877-829-5500 (a toll-free call) between the hours of 8 a.m. and 6:30 p.m. Eastern time Monday through Friday. For information regarding the methodology used in arriving at the data in this notice, please contact Mr. Heil at 1-202-283-9888 (not a toll-free call).

¹ Based on News Release IR-2005-120 dated October 14, 2005.

Part IV. Items of General Interest

Notice of Proposed Rulemaking

Disregarded Entities; Employment and Excise Taxes

REG-114371-05

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations under which qualified subchapter S subsidiaries and single-owner eligible entities that currently are disregarded as entities separate from their owners for federal tax purposes would be treated as separate entities for employment tax and related reporting requirement purposes. These regulations also propose to treat such disregarded entities as separate entities for purposes of certain excise taxes reported on Forms 720, 730, 2290, and 11-C; excise tax refunds or payments claimed on Form 8849; and excise tax registrations on Form 637. These proposed regulations would affect disregarded entities and the owners and employees of disregarded entities in the payment and reporting of federal employment taxes. These regulations also would affect disregarded entities and their owners in the payment and reporting of certain Federal excise taxes and in registration and claims related to certain Federal excise taxes.

DATES: Written or electronic comments and requests for a public hearing must be received by January 17, 2006.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-114371-05), room 5203, Internal Revenue Service, P.O. 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-114371-05), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC. Alternatively, taxpayers may submit electronic comments directly to

the IRS Internet site at www.irs.gov/regs or via the Federal eRulemaking Portal at www.regulations.gov (IRS and REG-114371-05).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, John Richards at (202) 622-6040 (on the employment tax provisions) or Susan Athy at (202) 622-3130 (on the excise tax provisions); concerning the submission of comments or requests for a hearing, Robin Jones at (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

1. *Disregarded Entities*

Under the Internal Revenue Code (Code) and its regulations, qualified subchapter S subsidiaries (QSubs) (under section 1361(b)(3)(B)) and certain single-owner eligible entities (under §§301.7701-1 through 301.7701-3 of the Procedure and Administration Regulations) are disregarded as entities separate from their owners ("disregarded entities"). The disregarded entity rules of section 1361(b)(3)(A) and §§301.7701-1 through 301.7701-3 apply for all purposes of the Code, including employment and excise taxes.

2. *Employment Taxes*

Employers are required to deduct and withhold income and Federal Insurance Contributions Act (FICA) taxes from their employees' wages under sections 3402(a) and 3102(a), and are separately liable for their share of FICA taxes as well as for Federal Unemployment Tax Act (FUTA) taxes under sections 3111 and 3301 (the withholding, FICA and FUTA taxes are collectively referred to herein as employment taxes). Sections 3403, 3102(b), 3111, and 3301 provide that the employer is the person liable for the withholding and payment of employment taxes. In addition, the employer is required to make timely tax deposits, file employment tax returns, and issue wage statements (Forms W-2) to employees (collectively, other employment tax obligations). An em-

ployer is generally defined as the person for whom an individual performs services as an employee. Sections 3401(d), 3121(d), and 3306(a). Because a disregarded entity is not recognized for Federal tax purposes, the owner of the disregarded entity is treated as the employer for purposes of employment tax liabilities and all other employment tax obligations related to wages paid to employees performing services for the disregarded entity.

If an entity is disregarded for Federal tax purposes under section 1361(b)(3)(A) or §§301.7701-1 through 301.7701-3, Notice 99-6, 1999-1 C.B. 321, provides that employment taxes and other employment tax obligations with respect to employees performing services for the disregarded entity may be satisfied in one of two ways: (1) calculation and payment of all employment taxes and satisfaction of all other employment tax obligations with respect to employees performing services for the disregarded entity by its owner under the owner's name and employer identification number (EIN); or (2) separate calculation and payment of all employment taxes and satisfaction of all other employment tax obligations by the disregarded entity with respect to employees performing services for the disregarded entity by the disregarded entity under its own name and EIN. The notice states that ultimate liability for employment taxes remains with the owner of the disregarded entity regardless of which alternative is chosen.

3. *Excise Taxes*

A. *Liability for excise taxes*

Liability for federal excise taxes is imposed on certain transactions and activities under the following chapters of the Internal Revenue Code (Code).

Chapter 31 imposes retail excise taxes on the sale or use of special fuels (section 4041); the use of fuel in commercial transportation on inland waterways (section 4042); and the sale of heavy trucks and trailers (section 4051).

Chapter 32 imposes manufacturers excise taxes on the sale of gas guzzler automobiles (section 4064); the sale of highway-type tires (section 4071); the removal,

entry, or sale of taxable fuel (section 4081); the sale of coal (section 4121); the sale of vaccines (section 4131); and the sale of sporting goods (section 4161).

Chapter 33 imposes excise taxes on payments for communications facilities and services (section 4251); payments for transportation of persons by air (section 4261); and payments for transportation of property by air (section 4271).

Chapter 34 imposes excise taxes on policies issued by foreign insurers (section 4371).

Chapter 35 imposes excise taxes on wagers (sections 4401 and 4411).

Chapter 36 imposes excise taxes on transportation by water (section 4471) and the use of heavy highway vehicles (section 4481).

Chapter 38 imposes excise taxes on the sale of ozone-depleting chemicals and imported taxable products (section 4681).

The IRS does not administer, and these regulations have no effect on the chapter 32 tax on firearms (section 4181) or the chapter 36 tax on port use (section 4461).

B. Excise tax registration

A person may be required to register with the IRS for certain excise tax purposes. Registration may be required under section 4101 with respect to the taxes imposed on motor fuels or under section 4412 in the case of persons subject to the occupational tax on wagering. In addition, section 4222 generally permits sales for certain exempt purposes to be made on a tax-free basis only if the sellers and purchasers are registered.

C. Excise tax credits, refunds, and payments

The Code allows excise taxpayers to claim credits or refunds for overpayments, including overpayments determined under sections 4081(e), 6415, 6416, and 6419 (section 6402). The Code generally allows non-excise taxpayers to claim credits or payments for fuels used for nontaxable purposes (sections 6420, 6421, and 6427) and allows blenders to claim credits or payments for the production of alcohol and biodiesel mixtures (sections 6426 and 6427(e)). Section 34 provides an income tax credit for amounts payable for the nontaxable use of fuels under sections 6420, 6421, and 6427, if these amounts have

not been previously claimed, and section 38 provides an income tax credit (general business credit) for alcohol or biodiesel used as a fuel (under sections 40 and 40A).

4. Reason for Change

Administrative difficulties have arisen from the interaction of the disregarded entity rules and the federal employment tax provisions. Problems have arisen for both taxpayers and the IRS with respect to reporting, payment and collection of employment taxes, particularly where state employment tax law also sets requirements for reporting, payment and collection that may be in conflict with the federal disregarded entity rules. The Treasury Department and the IRS believe that treating the disregarded entity as the employer for purposes of federal employment taxes will improve the administration of the tax laws and simplify compliance.

Difficulties also have arisen from the interaction of the disregarded entity rules and certain federal excise tax provisions. Many of these provisions rely on state law, rather than federal law, to determine liability for an excise tax, attachment of a tax, and allowance of a credit, refund, or payment. For example, §48.0-2(b) of the Manufacturers and Retailers Excise Tax Regulations provides that such excise taxes attach when title to an article passes to the purchaser. In general, determining when title passes depends on the intention of the parties. Absent express intention, however, the laws of the jurisdiction where the sale is made govern this determination. Such a determination is required also in applying certain excise tax credit, refund, and payment provisions that allow claims by ultimate purchasers, ultimate vendors, and producers.

Explanation of Provisions

These proposed regulations would treat QSubs and single-owner eligible entities that are disregarded entities for Federal tax purposes as separate entities for purposes of employment taxes and other requirements of law arising under subtitle C of the Code, certain excise taxes, and the application of the rules under subtitle F of the Code relating to matters such as reporting, assessment, collection, and refunds regarding employment and certain

excise taxes. Under the proposed regulations, these entities generally would continue to be treated as disregarded entities for other federal tax purposes.

1. Employment Taxes

The proposed regulations would eliminate disregarded entity status for purposes of federal employment taxes. A disregarded entity would be regarded for employment tax purposes, and, accordingly, become liable for employment taxes on wages paid to employees of the disregarded entity, and be responsible for satisfying other employment tax obligations (e.g., backup withholding under section 3406, making timely deposits of employment taxes, filing returns, and providing wage statements to employees on Forms W-2). The owner of the disregarded entity would no longer be liable for employment taxes or satisfying other employment tax obligations with respect to the employees of the disregarded entity. The disregarded entity would continue to be disregarded for other Federal tax purposes. The proposed regulations contain an example illustrating the interaction of the income tax provisions and employment tax provisions. For example, the proposed regulations illustrate that an individual owner of a disregarded entity would continue to be treated as self-employed for purposes of Self Employment Contributions Act (SECA) taxes (section 1401 *et sequitur*), and not as an employee of the disregarded entity for employment tax purposes.

The employment tax provisions of these regulations are proposed to apply to wages paid on or after January 1 following the date these regulations are published as final regulations in the **Federal Register**. QSubs, single-owner eligible entities disregarded under §§301.7701-1 through 301.7701-3, and the owners of such entities may continue to use the procedures permitted by Notice 99-6 to satisfy the owners' employment tax liabilities and other employment tax obligations for periods before the effective date of these regulations. As required by Notice 99-6, if the owner currently satisfies the employment tax liabilities and other employment tax obligations with respect to wages paid to employees performing services for the disregarded entity, then the owner must

continue to satisfy such liabilities and obligations until these regulations become final and effective, at which time Notice 99-6 will be obsoleted.

2. Excise Taxes

The proposed regulations would eliminate disregarded entity status for purposes of certain excise taxes. An entity that is disregarded for other federal tax purposes would be required to pay and report excise taxes, required and allowed to register, and allowed to claim any credits (other than income tax credits), refunds, and payments. The excise tax provisions that are excluded from the proposed regulations are specified. Because a disregarded entity does not file an income tax return, the credit on Form 4136 under section 34 is claimed on the owner's income tax return and appropriate identification of the single-owner entity and its taxpayer identification number is required. The income tax credit under section 38 (including any credit under sections 40 and 40A) is not affected by these proposed regulations.

The excise tax provisions in these regulations are proposed to apply to liabilities imposed and actions first required or permitted in periods beginning on or after January 1 following the date these regulations are published as final regulations in the **Federal Register**. For periods beginning before the effective date of these regulations, the IRS will treat payments made by a disregarded entity, or other actions taken by a disregarded entity, with respect to the excise taxes affected by these regulations as having been made or taken by the sole owner of that entity. Thus, for such periods, the owner of a disregarded entity will be treated as satisfying the owner's obligations with respect to the excise taxes affected by these regulations, provided that those obligations are satisfied either (i) by the owner itself or (ii) by the disregarded entity on behalf of the owner.

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 also has been determined that section 553(b) of the Ad-

ministrative Procedure Act (5 U.S.C. chapter 5) does not apply to these proposed regulations, and because these proposed regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and the Treasury Department request comments on the clarity of the proposed regulations and how they may be made easier to understand. In addition, comments are requested specifically on any transition issues that might arise with respect to employment taxes, and any transition relief that should be provided with respect to employment tax obligations. All comments will be available for public inspection and copying. A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

Drafting Information

The principal authors of these regulations are Susan Athy, Office of Associate Chief Counsel (Passthroughs and Special Industries), and John Richards, Office of Associate Chief Counsel (Tax Exempt and Government Entities). However, other personnel from the IRS and the Treasury Department participated in their development.

* * * * *

Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 301 are proposed to be amended as follows:

PART 1—INCOME TAX

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

Par. 2. Section 1.34-1 is revised to read as follows:

§1.34-1 Special rule for owners of certain business entities.

Amounts payable under sections 6420, 6421, and 6427 to a business entity that is treated as separate from its owner under §1.1361-4(a)(8) (relating to certain qualified subchapter S subsidiaries) or §301.7701-2(c)(2)(v) of this chapter (relating to certain wholly-owned entities) are, for purposes of section 34, treated as payable to the owner of that entity.

§§1.34-2 through 1.34-6 [Removed]

Par. 3. Sections 1.34-2 through 1.34-6 are removed.

Par. 4. Section 1.1361-4 is amended as follows:

1. In paragraph (a)(1), the language "Except as otherwise provided in paragraphs (a)(3) and (a)(6)" is removed, and "Except as otherwise provided in paragraphs (a)(3), (a)(6), (a)(7), and (a)(8)" is added in its place.

2. Paragraphs (a)(7) and (a)(8) are added.

The additions read as follows:

§1.1361-4 Effect of QSub election.

(a) * * *

(7) *Treatment of QSubs for purposes of employment taxes—(i) In general.* A QSub is treated as a separate corporation for purposes of Subtitle C — Employment Taxes and Collection of Income Tax (Chapters 21, 22, 23, 23A, 24, and 25 of the Internal Revenue Code).

(ii) *Effective date.* This paragraph (a)(7) applies with respect to wages paid on or after January 1 following the date these regulations are published as final regulations in the **Federal Register**.

(8) *Treatment of QSubs for purposes of certain excise taxes—(i) In general.* A QSub is treated as a separate corporation for purposes of—

(A) Federal tax liabilities imposed by Chapters 31, 32 (other than section 4181),

33, 34, 35, 36 (other than section 4461), and 38 of the Internal Revenue Code, or any floor stocks tax imposed on articles subject to any of these taxes;

(B) Collection of tax imposed by Chapter 33 of the Internal Revenue Code;

(C) Registration under sections 4101, 4222, and 4412; and

(D) Claims of a credit (other than a credit under section 34), refund, or payment related to a tax described in paragraph (a)(8)(A) of this section.

(ii) *Effective date.* This paragraph (a)(8) applies to liabilities imposed and actions first required or permitted in periods beginning on or after January 1 following the date these regulations are published as final regulations in the **Federal Register**.

Par. 5. Section 1.1361-6 is amended as follows:

The language "Except as otherwise provided in §§1.1361-4(a)(3)(iii), 1.1361-4(a)(5)(i), and 1.1361-5(c)(2)" is removed, and "Except as provided in §§1.1361-4(a)(3)(iii), 1.1361-4(a)(5)(i), 1.1361-4(a)(6)(iii), 1.1361-4(a)(7)(ii), 1.1361-4(a)(8)(ii), and 1.1361-5(c)(2)" is added in its place.

PART 301—PROCEDURE AND ADMINISTRATION

Par. 6. The authority citation for part 301 continues to read in part as follows:

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

Par. 7. Section 301.7701-2 is amended as follows:

1. In paragraph (a), a sentence is added at the end.

2. In paragraph (c)(2)(i), the language "A business" is removed, and "Except as otherwise provided in this paragraph (c), a business" is added in its place.

3. Paragraphs (c)(2)(iv), (c)(2)(v), (e)(3), and (e)(4) are added.

The additions read as follows:

§301.7701-2 *Business entities; definitions.*

(a) * * * But see paragraphs (c)(2)(iv) and (v) of this section for special employment and excise tax rules that apply to an eligible entity that is otherwise disregarded as an entity separate from its owner.

* * * * *

(c) * * *

(2) * * *

(iv) *Special rule for employment tax purposes—(A) In general.* Paragraph (c)(2)(i) of this section (relating to certain wholly owned entities) does not apply to taxes imposed under Subtitle C — Employment Taxes and Collection of Income Tax (Chapters 21, 22, 23, 23A, 24, and 25 of the Internal Revenue Code).

(B) *Example.* The following example illustrates the application of paragraph (c)(2)(iv) of this section:

Example. (i) LLCA is an eligible entity owned by individual A and is generally disregarded as an entity separate from its owner for federal tax purposes. However, LLCA is treated as an entity separate from its owner for purposes of subtitle C of the Internal Revenue Code. LLCA has employees and pays wages as defined in sections 3121(a), 3306(b), and 3401(a).

(ii) LLCA is subject to the provisions of subtitle C of the Internal Revenue Code and related provisions under 26 CFR subchapter C, Employment Taxes and Collection of Income Tax at Source, parts 31 through 39. Accordingly, LLCA is required to perform such acts as are required of an employer under those provisions of the Code and regulations thereunder that apply. All provisions of law (including penalties) and the regulations prescribed in pursuance of law applicable to employers in respect of such acts are applicable to LLCA. Thus, for example, LLCA is liable for income tax withholding, Federal Insurance Contributions Act (FICA) taxes, and Federal Unemployment Tax Act (FUTA) taxes. See sections 3402 and 3403 (relating to income tax withholding); 3102(b) and 3111 (relating to FICA taxes), and 3301 (relating to FUTA taxes). In addition, LLCA must file under its name and EIN the applicable Forms in the 94X series, for example, Form 941, "Employer's Quarterly Federal Tax Return," Form 940, "Employer's Annual Federal Unemployment (FUTA) Tax Return;" file with the Social Security Administration and furnish to LLCA's employees statements on Forms W-2, "Wage and Tax Statement;" and make timely employment tax deposits. See §§31.6011(a)-1, 31.6011(a)-3, 31.6051-1, 31.6051-2, and 31.6302-1 of this chapter.

(iii) A is self-employed for purposes of subtitle A, chapter 2, Tax on Self-Employment Income, of the Internal Revenue Code. Thus, A is subject to tax under section 1401 on A's net earnings from self-employment with respect to LLCA's activities. A is not an employee of LLCA for purposes of subtitle C of the Code. Because LLCA is treated as a sole proprietorship of A for income tax purposes, A is entitled to deduct trade or business expenses paid or incurred with respect to activities carried on through LLCA, including the employer's share of employment taxes imposed under sections 3111 and 3301, on A's Form 1040, Schedule C, "Profit or Loss From Business (Sole Proprietorship)."

(v) *Special rule for certain excise tax purposes—(A) In general.* Paragraph (c)(2)(i) of this section (relating to certain wholly owned entities) does not apply for purposes of—

(1) Federal tax liabilities imposed by Chapters 31, 32 (other than section 4181), 33, 34, 35, 36 (other than section 4461), and 38 of the Internal Revenue Code, or any floor stocks tax imposed on articles subject to any of these taxes;

(2) Collection of tax imposed by Chapter 33 of the Internal Revenue Code;

(3) Registration under sections 4101, 4222, and 4412; and

(4) Claims of a credit (other than a credit under section 34), refund, or payment related to a tax described in paragraph (c)(2)(v)(A)(I) of this section.

(B) *Example.* The following example illustrates the provisions of this paragraph (c)(2)(v).

Example. (i) LLCB is an eligible entity that has a single owner, B. LLCB is generally disregarded as an entity separate from its owner. However, under paragraph (c)(2)(v) of this section, LLCB is treated as an entity separate from its owner for certain purposes relating to excise taxes.

(ii) LLCB mines coal from a coal mine located in the United States. Section 4121 of chapter 32 of the Internal Revenue Code imposes a tax on the producer's sale of such coal. Section 48.4121-1(a) of this chapter defines a "producer" generally as the person in whom is vested ownership of the coal under state law immediately after the coal is severed from the ground. LLCB is the person that owns the coal under state law immediately after it is severed from the ground. Under paragraph (c)(2)(v)(A)(I) of this section, LLCB is the producer of the coal and is liable for tax on its sale of such coal under chapter 32 of the Internal Revenue Code. LLCB must report and pay tax on Form 720, "Quarterly Federal Excise Tax Return," under its own name and taxpayer identification number.

(iii) LLCB uses undyed diesel fuel in an earthmover that is not registered or required to be registered for highway use. Such use is an off-highway business use of the fuel. Under section 6427(l), the ultimate purchaser is allowed to claim an income tax credit or payment related to the tax imposed on diesel fuel used in an off-highway business use. Under paragraph (c)(2)(v) of this section, for purposes of the credit or payment allowed under section 6427(l), LLCB is the person that could claim the amount on its Form 720 or on a Form 8849, "Claim for Refund of Excise Taxes." Alternatively, if LLCB did not claim a payment during the time prescribed in section 6427(i)(2) for mak-

ing a claim under section 6427, §1.34-1 of this chapter provides that B, the owner of LLCB, could claim the income tax credit allowed under section 34 for the nontaxable use of diesel fuel by LLCB.

* * * * *

(e) * * *

(3) Paragraph (c)(2)(iv) of this section applies with respect to wages paid on or after January 1 following the date these regulations are published as final regulations in the **Federal Register**.

(4) Paragraph (c)(2)(v) of this section applies to liabilities imposed and actions first required or permitted in periods beginning on or after January 1 following the date these regulations are published as final regulations in the **Federal Register**.

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

(Filed by the Office of the Federal Register on October 17, 2005, 8:45 a.m., and published in the issue of the Federal Register for October 18, 2005, 70 F.R. 60475)

Notice of Proposed Rulemaking by Cross-Reference to Temporary Regulations

Balanced System for Measuring Organizational and Employee Performance Within the Internal Revenue Service

REG-114444-05

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: In this issue of the Bulletin, the IRS is issuing temporary regulations (T.D. 9227) designed to modify 26 CFR Part 801, the regulations governing the IRS Balanced System for Measuring Organizational and Employee Performance, to clarify when quantity measures, which are not tax enforcement results, may be used in measuring organizational and employee performance. The temporary regulations

affect internal operations of the IRS and the systems it employs to evaluate the performance of organizations within the IRS. The text of the temporary regulations also serves as the text of these proposed regulations.

DATES: Written or electronic comments and requests for a public hearing must be received by December 16, 2005.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-114444-05), Room 5203, 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-114444-05), Courier's Desk, 1111 Constitution Avenue, NW, Washington, DC 20224, or sent electronically via the IRS Internet site at www.irs.gov/regs or via the Federal eRulemaking Portal at www.regulations.gov (IRS REG-114444-05).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Neil Worden, (202) 283-7900; concerning submissions of comments, Robin Jones, Publications and Regulations Branch, (202) 622-3521 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

Temporary regulations in this issue of the Bulletin amend 26 CFR Part 801. The temporary regulations amend Part 801 to clarify when quantity measures, which are not tax enforcement results, may be used in measuring organizational and employee performance. The text of those regulations also serves as the text of these regulations. The "Explanation of Provisions" section of the temporary regulations explains the temporary regulations and these proposed regulations.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It 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 the regulation does not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. 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 on small business.

Comments and Requests for Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written or electronic comments that are timely submitted to the IRS. The IRS and the Treasury Department specifically request comments on the clarity of the proposed regulations and how they can be made easier to understand. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested by any person who timely submits comments. If a public hearing is scheduled, notice of the date, time and place for the hearing will be published in the **Federal Register**.

Drafting Information

The principal author of these regulations is Karen F. Keller, Office of Associate Chief Counsel (General Legal Services). However, other personnel from the IRS participated in their development.

* * * * *

Proposed Amendments to the Regulations

Accordingly, 26 CFR Part 801 is proposed to be amended as follows:

PART 801—BALANCED SYSTEM FOR MEASURING ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE WITHIN THE INTERNAL REVENUE SERVICE

Paragraph 1. The authority citation for Part 801 continues to read in part as follows:

Authority: 5 U.S.C. 9501 * * *

Par. 2. Section 801.1T is redesignated as §801.1 and amended by revising the section heading to read as follows:

§801.1 Balanced performance measurement system; in general.

[The text of proposed §801.1 is the same as the text of §801.1T published elsewhere in this issue of the Bulletin].

Par. 3. Section 801.2T is redesignated as §801.2 and amended by revising the section heading to read as follows:

§801.2 Measuring organizational performance.

[The text of proposed §801.2 is the same as the text of §801.2T published elsewhere in this issue of the Bulletin.]

Par. 4. Section 801.3T is redesignated as §801.3 and amended by revising the section heading to read as follows:

§801.3 Measuring employee performance.

[The text of proposed §801.3 is the same as the text of §801.3T published elsewhere in this issue of the Bulletin].

Par. 5. Section 801.4T is redesignated as §801.4 and amended by revising the section heading to read as follows:

§801.4 Customer satisfaction measures.

[The text of proposed §801.4 is the same as the text of §801.4T published elsewhere in this issue of the Bulletin].

Par. 6. Section 801.5T is redesignated as §801.5 and amended by revising the section heading to read as follows:

§801.5 Employee satisfaction measures.

[The text of proposed §801.5 is the same as the text of §801.5T published elsewhere in this issue of the Bulletin].

Par. 7. Section 801.6T is redesignated as §801.6 and amended by revising the section heading to read as follows:

§801.6 Business results measures.

[The text of proposed §801.6 is the same as the text of §801.6T published elsewhere in this issue of the Bulletin].

Par. 8. Section 801.7T is redesignated as §801.7 and amended by revising the section heading to read as follows:

§801.7 Examples.

[The text of the proposed §801.7 is the same as the text of §801.7T published elsewhere in this issue of the Bulletin.]

Par. 9. Section 801.8T is redesignated as §801.8 and revised to read as follows:

§801.8 Effective dates.

[The text of proposed §801.8 is the same as the text of §801.8T(a) published elsewhere in this issue of the Bulletin].

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

(Filed by the Office of the Federal Register on October 14, 2005, 8:45 a.m., and published in the issue of the Federal Register for October 17, 2005, 70 F.R. 60256)

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

Announcement 2005-76

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

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

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

their names, their city and state, their professional designation, the effective date of disciplinary action, and the period of suspension. This announcement will appear in the weekly Bulletin at the earliest practicable date after such action and will continue to appear in the weekly Bulletins for five successive weeks.

Consent Suspensions From Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, an attorney, certified public accountant, enrolled agent, or enrolled actuary, in order to avoid 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 dis-

cretion, 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
Reagan, John	Cortland, NY	CPA	Indefinite from June 24, 2005
Harris, Alexander W.	Chicago, IL	Attorney	July 1, 2005 to December 31, 2005
Belush, Glen J.	Monroe, CT	CPA	Indefinite from July 15, 2005
Lamont, Alice	Atlanta, GA	CPA	Indefinite from July 15, 2005
Morse, Kyle K.	Bedford, TX	CPA	Indefinite from July 22, 2005
Duggan Jr., Joseph A.	Jacksonville, OR	Enrolled Agent	Indefinite from August 1, 2005
Harper, Ivan	Brooklyn, NY	CPA	Indefinite from August 15, 2005
Bandy, Robert M.	Tyler, TX	Attorney	Indefinite from August 24, 2005
Peterson, Stanley	Springfield, PA	CPA	Indefinite from August 26, 2005
Shorten, Judy	Vacaville, CA	Enrolled Agent	Indefinite from September 1, 2005
Watkins, David E.	Shelbyville, IN	Enrolled Agent	Indefinite from September 1, 2005

Expedited Suspensions From Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, the Director, Office of Professional Responsibility, is authorized to immediately suspend from practice before the Internal Revenue Service any practitioner who, within five years from the date

the expedited proceeding is instituted (1) has had a license to practice as an attorney, certified public accountant, or actuary suspended or revoked for cause or (2) has been convicted of certain crimes.

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

Name	Address	Designation	Date of Suspension
Leong, Thomas S.	Honolulu, HI	Attorney	Indefinite from July 11, 2005
Clark, Mark S.	Tucson, AZ	Attorney	Indefinite from July 11, 2005
Hudspeth, George E.	St. Louis, MO	Attorney	Indefinite from July 11, 2005
Dodd, Alan F.	Westborough, MA	Attorney	Indefinite from July 11, 2005
Crews, James F.	Tipton, MO	Attorney	Indefinite from July 11, 2005
Luparella, Joseph	Hoboken, NJ	CPA	Indefinite from July 13, 2005
Deutchman, Murray	Barnesville, MD	Attorney	Indefinite from July 13, 2005
Cozier, Clifford G.	Englewood, CO	Attorney	Indefinite from July 13, 2005
Segall, Steven M.	Denver, CO	Attorney	Indefinite from July 14, 2005
Richardson, Bruce	Reisterstown, MD	Attorney	Indefinite from July 15, 2005
Parsley, Jeffrey A.	Englewood, CO	Attorney	Indefinite from July 15, 2005
Wyrick, Richard L.	Hanford, CA	Attorney	Indefinite from July 15, 2005
Coates, Marsden S.	Baltimore, MD	Attorney	Indefinite from July 15, 2005
McCampbell, Daniel	Chico, CA	Attorney	Indefinite from July 15, 2005
Ralston, Ronald G.	Fairmount, GA	CPA	Indefinite from July 18, 2005

Name	Address	Designation	Date of Suspension
Friemann, Robert F.	Huntington Bay, NY	CPA	Indefinite from July 18, 2005
Friedman, Milton G.	Ft. Lauderdale, FL	CPA	July 25, 2005 to January 24, 2007
Acheampong, Robert	Columbus, OH	CPA	Indefinite from July 26, 2005
Elias, Robert F.	Canfield, OH	Attorney	Indefinite from July 27, 2005
Stover, Kathy A.	Topeka, KS	Attorney	Indefinite from July 29, 2005
Leffler, Fredric D.	Columbia, MD	Attorney	Indefinite from July 29, 2005
Harmon, Anthony N.	Batavia, IL	Attorney	Indefinite from July 29, 2005
Hames, David H.	Dallas, TX	CPA	Indefinite from August 2, 2005
Au, Ronald G.S.	Honolulu, HI	Attorney	Indefinite from August 9, 2005
Tilton Jr., George H.	Denver, CO	Attorney	Indefinite from August 12, 2005
Spalsbury Jr., Clark	Estes Park, CO	Attorney	Indefinite from August 12, 2005
Brockman, Louis R.	Dallas, TX	CPA	Indefinite from August 12, 2005
Hill, Richard B.	Kernersville, NC	CPA	Indefinite from August 12, 2005
Rosenberg, Jeffrey P.	Morgan Hill, CA	Attorney	Indefinite from August 12, 2005
Link, Robert A.	Waupaca, WI	CPA	Indefinite from August 15, 2005

Name	Address	Designation	Date of Suspension
Halcrow, David S.	Taft, CA	CPA	Indefinite from September 9, 2005
Lieber, Daniel M.	Edna, MO	Attorney	Indefinite from September 9, 2005
Kirchoff, William W.	Jefferson City, MO	Attorney	Indefinite from September 9, 2005
Lauby, Gregory C.	Lexington, NE	Attorney	Indefinite from September 9, 2005
Early, Michael J.	Newburyport, MA	Attorney	Indefinite from September 9, 2005
Mickiewicz, Robert	Dorchester, MA	Attorney	Indefinite from September 9, 2005
Conant, Jon F.	Gloucester, MA	Attorney	Indefinite from September 9, 2005
Pennington, Jill	Chevy Chase, MD	Attorney	Indefinite from September 9, 2005
Randolph, Robert E.	Denham Springs, LA	Attorney	Indefinite from September 9, 2005
Carillo, Donald	Chicago, IL	Attorney	Indefinite from September 9, 2005
Sloan Jr., Dewey	Sioux City, IA	Attorney	Indefinite from September 9, 2005
Vogel, Garrett	Dallas, TX	CPA	Indefinite from September 13, 2005
Becker, Joseph	Houston, TX	CPA	Indefinite from September 13, 2005
Winick, Robert M.	Sarasota, FL	Attorney	Indefinite from September 19, 2005
Hunsaker Jr., William	Golden, CO	Attorney	Indefinite from September 19, 2005
Wheatley, Jay D.	Boca Raton, FL	Attorney	Indefinite from September 19, 2005

Name	Address	Designation	Date of Suspension
Clark, Carroll A.	Mesa, AZ	Attorney	Indefinite from September 19, 2005

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

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

Name	Address	Designation	Effective Date
Sobel, Herbert L.	Elkins Park, PA	CPA	May 4, 2005 to February 3, 2007
Rubesh, Leland	Gillette, WY	CPA	August 1, 2005 to January 31, 2007
Gregory, Carolyn S.	Cathedral City, CA	Enrolled Agent	August 12, 2005 to November 11, 2007

Censure Issued by Consent

Under Title 31, Code of Federal Regulations, Part 10, in lieu of a proceeding being instituted or continued, an attorney, certified public accountant, enrolled agent, or enrolled actuary, may offer his or her consent to the issuance of a censure. Censure is a public reprimand. The following individuals have consented to the issuance of a Censure:

Name	Address	Designation	Date of Censure
Pugno, Thomas	Rockwood, MI	Enrolled Agent	June 29, 2005
Barrett, Richard	Tyler, TX	CPA	August 1, 2005
Kelly, Michael G.	Odessa, TX	Attorney	August 1, 2005
Volstad, Paul S.	Plymouth, MN	CPA	August 18, 2005
Quackenbush, Gary A.	San Diego, CA	Attorney	September 2, 2005
Flores, Fred A.	Laredo, TX	CPA	September 2, 2005
Velasquez, Felix	Laredo, TX	CPA	September 2, 2005

Carryforward of Credit From Form 8884

Announcement 2005-79

Form 8884, *New York Liberty Zone Business Employee Credit*, is obsolete for tax years beginning after December 31, 2004. As a result, any carryforward of this credit to tax years beginning after 2004 will be reported on **Form 8835**, *Renewable Electricity, Refined Coal, and Indian Coal Production Credit*. The credit carryforward to 2005 is the excess of line 10 of the 2004 Form 8884 over line 23 of that form, to the extent not used in carrying back the credit. For tax years beginning in 2005, the credit carryforward is reported on Form 8835, Section B, line 28. See the 2005 Form 8835 for details on how to report this carryforward.

IRS and The George Washington University Law School To Sponsor Institute on International Tax Issues

Announcement 2005-81

The Internal Revenue Service announces the Eighteenth Annual Institute on Current Issues in International Taxation, jointly sponsored by the Internal Revenue Service and The George Washington University Law School, to be held on December 8 and 9, 2005, at the J.W. Marriott Hotel in Washington, DC. Registration is currently underway for the Institute, which is intended for international tax professionals.

The program will present a unique opportunity for top IRS and Treasury officials and tax experts, and leading private sector specialists, to address breaking issues and present key perspectives on new developments. The first day will feature sessions on the following:

- Current Competent Authority Issues;
- Intellectual Priority Issues;
- Foreign Tax Credits;
- Financially Troubled International Ventures;
- Dual Consolidated Losses/Arbitrage Issues; and
- Updates on Outbound Issues.

The Honorable Donald L. Korb, Chief Counsel, Internal Revenue Service, will deliver the luncheon address.

The second day will focus on the following topics:

- Latest IRS Transfer Pricing Guidance;
- Real world Advice on Transfer Pricing;
- Updates on Inbound Issues; and
- Circular 230/Tax Shelter/Ethics.

The second day will also include an "Ask the IRS" panel featuring senior officials from the Service.

Those interested in attending or obtaining more information should contact The George Washington University Law School, at <http://www.law.gwu.edu/ciit>.

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

Announcement 2005-82

The names of organizations that no longer qualify as organizations described in section 170(c)(2) of the Internal Revenue Code of 1986 are listed below.

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

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on November 7,

2005, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more particularly set forth in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

Delta Regional Transit System, Inc.
Greenville, MS

Gibson Trust, Inc. Hollywood, FL

Housing Development Group, Inc.
Providence, RI

National Credit Education and Review
Canton, MI

Foundations Status of Certain Organizations

Announcement 2005-83

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:

4-Scor, Inc., Saylorsburg, PA
ABZ Art Foundation, Inc., New York, NY
Africana Literature Archives, Inc.,
New York, NY
Albemarle Fire Safety Committee,
Elizabeth City, NC
All-Sports Hall of Fame Charitable
Foundation, Inc., New York, NY

Alpha Corporation, Atlanta, GA
 American Family Care and Immigration Services, Little Falls, NJ
 American Friends of Maccabi Health Services, New York, NY
 American Veterans Friendship Society, Inc., New Orleans, LA
 Angies Angels, Donaldsonville, LA
 Arc of Yadkin County, Inc., Yadkinville, NC
 Artists Betwixt and Between, Inc., New York, NY
 Arts America, Inc., Dumont, NJ
 Artspace at Tri-Main, Inc., Buffalo, NY
 Asian Culinary Society, Inc., New York, NY
 Basically Using Better Solutions, Incorporated, Northport, NY
 Big Piney Bluegrass Association, Inc., Houston, MO
 Blacks for Life, Milwaukee, WI
 Calumet Region Cluster Org., Chicago, IL
 Center for Brazilian Church Planting, New York, NY
 Chasdi Nissim Fund, Monsey, NY
 Chelsea Art Museum, West Orange, NJ
 Chien-Shiung Wu and Luke C L Yuan Natural Science Foundation, Inc., New York, NY
 Child Health Net, Inc., Mount Vernon, NY
 Children Living With Aids, Inc., Bronx, NY
 Church Upon This Rock, Houston, TX
 Citizens in Charge Foundation, Woodbridge, VA
 Cobblestone Productions, Incorporated, New York, NY
 Colorado Jesus Video Project, Colorado Springs, CO
 Columbus Archiver and History Center, Inc., Columbus, GA
 Costas Cure, New York, NY
 Costin Adoption Foundation, Norwich, NY
 Cumberland Island Conservancy, Inc., Atlanta, GA
 Delta Dawn Productions, Inc., New York, NY
 Dose, Inc., New York, NY
 Dynamic Empowerment, Inc., New York, NY
 ECDO Housing Development Fund Company, Inc., New York, NY
 Educational Opportunity Fund, Inc., New York, NY
 Exploring the Arts, Inc., New York, NY
 Families and Community Enrichment of Michigan, Inc., Detroit, MI
 Family Reunification Justice Project, Inc., New York, NY
 Flagler Volunteer Services, Inc., Flagler Beach, FL
 Forums Children Foundation, New York, NY
 Foundation for Tomorrows Leaders, New York, NY
 Foundation for Treatment of Mitochondrial Disorders, Inc., Silver Spring, MD
 Fowler Video Foundation, West Rockport, ME
 Fresh Start Women's Center, Memphis, TN
 Friendly Fifty Club, Inc., Mount Vernon, NY
 Friends of Kings Hill, Wallkill, NY
 Friends of the Dorothy Day Cottages, Inc., Staten Island, NY
 Friends of the Union County Animal Care and Education Center, Plainfield, NJ
 Friends of the West Orange Library, Inc., Winter Garden, FL
 Friendship House of India, Redford, MI
 General Daniel Chappie James Ch 1288 Experimental Aircraft Assoc., Valkaria, FL
 Genesis Life Center, Inc., Albany, GA
 Giving World Foundation, Inc., Williston, VT
 Givingwell Org., Inc., New York, NY
 Great American Duck Race of Deming, Inc., Deming, NM
 Grey Fox Foundation, Inc., Greenwich, CT
 Hands of Hope Development Corporation, Richmond, VA
 Hastings Waterfront Watch, Inc., Hastings Hudson, NY
 Healing Source, Rialto, CA
 Higher Education Opportunity Programs, Inc., New York, NY
 Historic Synagogue Restoration, Inc., New Rochelle, NY
 HOYA Human Development Corporation, Inc., Cypress, TX
 IABS Charities, Inc., New York, NY
 Independent Heights Park Community Redevelopment Corporation, Houston, TX
 Inner City Perception, Inc., New Kensington, PA
 Inspire, Inc., Indianapolis, IN
 Interfaith Housing Development Fund Corp., Suffern, NY
 International Anti-Poverty Law Center, Inc., New York, NY
 International Atlanta Ministries, Jonesboro, GA
 Irish Rail and Transport Heritage Foundation, Ltd., New York, NY
 Jasper County Historical Society, Bay Springs, MS
 Jeff County Conservancy Charitable Trust, Brookville, PA
 Jewish Alumni of Binghamton, Inc., New York, NY
 Jewish Center of the Hamptons, East Hampton, NY
 Jubillennium Foundation, Inc., New York, NY
 Karenina Dance Masters Intensive, Inc., New York, NY
 Kedma USA, Inc., Bronx, NY
 Kids Nutritional Services, Slidell, LA
 Klein Intermediate Parent Teacher Organization, Inc., Houston, TX
 Korean War Memorial of WNY, Buffalo, NY
 Last Witness Declaration Project, New York, NY
 Life Works Theatre, Inc., Rochester, NY
 Light of the Trinity Montessori School, Inc., West Orange, NJ
 Liza Barbieri Foundation, New York, NY
 Main Stage Coffeehouse Foundation, Yorktown Heights, NY
 Mars 2112 Education Outreach Program, Inc., New York, NY
 Matthew S. Hisiger Film Foundation, New York, NY
 McKinnley Ericson Park Alliance, Ltd., Brooklyn, NY
 McMillans Helping Hands, Inc., Mineola, NY
 Meadowridge Ponds & Wetlands Preservation Association, Long Grove, IL
 Metro Wildlife Management Base, Inc., Brighton, MI
 Michael & Rochel Wolfe Charity Fund, Inc., New York, NY
 Mike Bright Basketball Camp, Inc., Bronx, NY
 Millenium Minds, Inc., Queens, NY
 Moazz Jazz Dance Ensemble, Seattle, WA
 Muse of Fire Theatre Co., Inc., New York, NY
 National Association of Blessed Billionaires, New Rochelle, NY
 No Walls Foundation, Inc., New York, NY
 Noble Heart Service, Gardena, CA
 Nonprofit Training Institute, Inc., Stone Mountain, GA

Northern Burlington Soccer Club,
Wrightstown, NJ
Our Lady of Mercy Senior Manor Housing
Development Fund Corporation,
Bronx, NY
Ox-Sheptyckyj Foundation, Inc.,
Yonkers, NY
Paloverde Center for Behavioral Research
and Education, La Verne, CA
Palyul Changchub Dargyeling,
Mill Valley, CA
Panamerican Nikkei Association USA
East, Inc., New York, NY
Paradi, Inc., Mineola, NY
Pendulum Dance Theater, Portland, OR
Pennsylvania Station Arts Foundation,
Inc., New York, NY
Persuaders, Inc., Memphis, TN
Photorelief Com, Inc., New York, NY
Refuge, Inc., New York, NY
Robert A. Patterson Memorial Scholarship
Fund, Novato, CA
Robert P. Joyce Scholarship Fund, Ltd.,
New Windsor, NY

Rockland Business Association
Foundation, Inc., Pearl River, NY
Rockland County Jewish Childrens
Museum, Inc., Pomona, NY
Salve Regina, Inc., Staten Island, NY
Sandra Brand Torah Distribution Fund,
Inc., New York, NY
Scripts Up, Inc., New York, NY
Senior Care & Life Styles, Inc.,
Staten Island, NY
SIKA, Inc., New York, NY
Soma Partnership, Inc., San Francisco, CA
Southeast Texas Fellowship of Churches,
Beaumont, TX
Spirit of Faith Community Development
Corporation, N. Miami Beach, FL
Stage of Learning, Inc., New York, NY
Tell the Story Ministries, Inc.,
Deerfield Beach, FL
Third Space Project, Inc., New York, NY
Third World Records, New York, NY
Topkid, Grosse Pointe, MI
Tunnel Vision Writers Project, Inc.,
Montclair, NJ

Tzidkas Rivka Memorial Fund Dankona,
Inc., New Square, NY
Zionist Information and Interment
Organization of North America, Inc.,
New York, NY

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

Definition of Terms

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

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

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

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

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

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

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

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

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

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

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

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

Abbreviations

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

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

ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.
PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.

PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statement of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

Numerical Finding List¹

Bulletins 2005–27 through 2005–45

Announcements:

2005-46, 2005-27 I.R.B. 63
2005-47, 2005-28 I.R.B. 71
2005-48, 2005-29 I.R.B. 111
2005-49, 2005-29 I.R.B. 119
2005-50, 2005-30 I.R.B. 152
2005-51, 2005-32 I.R.B. 283
2005-52, 2005-31 I.R.B. 257
2005-53, 2005-31 I.R.B. 258
2005-54, 2005-32 I.R.B. 283
2005-55, 2005-33 I.R.B. 317
2005-56, 2005-33 I.R.B. 318
2005-57, 2005-33 I.R.B. 318
2005-58, 2005-33 I.R.B. 319
2005-59, 2005-37 I.R.B. 524
2005-60, 2005-35 I.R.B. 455
2005-61, 2005-36 I.R.B. 495
2005-62, 2005-36 I.R.B. 495
2005-63, 2005-36 I.R.B. 496
2005-64, 2005-37 I.R.B. 537
2005-65, 2005-38 I.R.B. 587
2005-66, 2005-39 I.R.B. 613
2005-67, 2005-40 I.R.B. 678
2005-68, 2005-39 I.R.B. 613
2005-69, 2005-40 I.R.B. 681
2005-70, 2005-40 I.R.B. 682
2005-71, 2005-41 I.R.B. 714
2005-72, 2005-41 I.R.B. 692
2005-73, 2005-41 I.R.B. 715
2005-74, 2005-42 I.R.B. 764
2005-75, 2005-42 I.R.B. 764
2005-76, 2005-42 I.R.B. 765
2005-77, 2005-44 I.R.B. 855
2005-78, 2005-44 I.R.B. 918
2005-79, 2005-45 I.R.B. 941
2005-81, 2005-45 I.R.B. 941
2005-82, 2005-45 I.R.B. 941
2005-83, 2005-45 I.R.B. 941

Notices:

2005-48, 2005-27 I.R.B. 9
2005-49, 2005-27 I.R.B. 14
2005-50, 2005-27 I.R.B. 14
2005-51, 2005-28 I.R.B. 74
2005-52, 2005-28 I.R.B. 75
2005-53, 2005-32 I.R.B. 263
2005-54, 2005-30 I.R.B. 127
2005-55, 2005-32 I.R.B. 265
2005-56, 2005-32 I.R.B. 266
2005-57, 2005-32 I.R.B. 267
2005-58, 2005-33 I.R.B. 295
2005-59, 2005-35 I.R.B. 443

Notices— Continued:

2005-60, 2005-39 I.R.B. 606
2005-61, 2005-39 I.R.B. 607
2005-62, 2005-35 I.R.B. 443
2005-63, 2005-35 I.R.B. 448
2005-64, 2005-36 I.R.B. 471
2005-65, 2005-39 I.R.B. 607
2005-66, 2005-40 I.R.B. 620
2005-67, 2005-40 I.R.B. 621
2005-68, 2005-40 I.R.B. 622
2005-69, 2005-40 I.R.B. 622
2005-70, 2005-41 I.R.B. 694
2005-71, 2005-44 I.R.B. 863
2005-73, 2005-42 I.R.B. 723
2005-74, 2005-42 I.R.B. 726
2005-75, 2005-45 I.R.B. 929

Proposed Regulations:

REG-106030-98, 2005-42 I.R.B. 739
REG-144615-02, 2005-40 I.R.B. 625
REG-150088-02, 2005-43 I.R.B. 774
REG-150091-02, 2005-43 I.R.B. 780
REG-131739-03, 2005-36 I.R.B. 494
REG-130241-04, 2005-27 I.R.B. 18
REG-138362-04, 2005-33 I.R.B. 299
REG-138647-04, 2005-41 I.R.B. 697
REG-149436-04, 2005-35 I.R.B. 454
REG-156518-04, 2005-38 I.R.B. 582
REG-158080-04, 2005-43 I.R.B. 786
REG-104143-05, 2005-41 I.R.B. 708
REG-111257-05, 2005-42 I.R.B. 759
REG-114371-05, 2005-45 I.R.B. 930
REG-114444-05, 2005-45 I.R.B. 934
REG-121584-05, 2005-37 I.R.B. 523
REG-122857-05, 2005-39 I.R.B. 609
REG-129782-05, 2005-40 I.R.B. 675
REG-133578-05, 2005-39 I.R.B. 610

Revenue Procedures:

2005-35, 2005-28 I.R.B. 76
2005-36, 2005-28 I.R.B. 78
2005-37, 2005-28 I.R.B. 79
2005-38, 2005-28 I.R.B. 81
2005-39, 2005-28 I.R.B. 82
2005-40, 2005-28 I.R.B. 83
2005-41, 2005-29 I.R.B. 90
2005-42, 2005-30 I.R.B. 128
2005-43, 2005-29 I.R.B. 107
2005-44, 2005-29 I.R.B. 110
2005-45, 2005-30 I.R.B. 141
2005-46, 2005-30 I.R.B. 142
2005-47, 2005-32 I.R.B. 269
2005-48, 2005-32 I.R.B. 271
2005-49, 2005-31 I.R.B. 165
2005-50, 2005-32 I.R.B. 272
2005-51, 2005-33 I.R.B. 296

Revenue Procedures— Continued:

2005-52, 2005-34 I.R.B. 326
2005-53, 2005-34 I.R.B. 339
2005-54, 2005-34 I.R.B. 353
2005-55, 2005-34 I.R.B. 367
2005-56, 2005-34 I.R.B. 383
2005-57, 2005-34 I.R.B. 392
2005-58, 2005-34 I.R.B. 402
2005-59, 2005-34 I.R.B. 412
2005-60, 2005-35 I.R.B. 449
2005-61, 2005-37 I.R.B. 507
2005-62, 2005-37 I.R.B. 507
2005-63, 2005-36 I.R.B. 491
2005-64, 2005-36 I.R.B. 492
2005-65, 2005-38 I.R.B. 564
2005-66, 2005-37 I.R.B. 509
2005-67, 2005-42 I.R.B. 729
2005-68, 2005-41 I.R.B. 694
2005-69, 2005-44 I.R.B. 864

Revenue Rulings:

2005-38, 2005-27 I.R.B. 6
2005-39, 2005-27 I.R.B. 1
2005-40, 2005-27 I.R.B. 4
2005-41, 2005-28 I.R.B. 69
2005-42, 2005-28 I.R.B. 67
2005-43, 2005-29 I.R.B. 88
2005-44, 2005-29 I.R.B. 87
2005-45, 2005-30 I.R.B. 123
2005-46, 2005-30 I.R.B. 120
2005-47, 2005-32 I.R.B. 261
2005-48, 2005-32 I.R.B. 259
2005-49, 2005-30 I.R.B. 125
2005-50, 2005-30 I.R.B. 124
2005-51, 2005-31 I.R.B. 163
2005-52, 2005-35 I.R.B. 423
2005-53, 2005-35 I.R.B. 425
2005-54, 2005-33 I.R.B. 289
2005-55, 2005-33 I.R.B. 284
2005-56, 2005-35 I.R.B. 427
2005-57, 2005-36 I.R.B. 466
2005-58, 2005-36 I.R.B. 465
2005-59, 2005-37 I.R.B. 505
2005-60, 2005-37 I.R.B. 502
2005-61, 2005-38 I.R.B. 538
2005-62, 2005-38 I.R.B. 557
2005-63, 2005-39 I.R.B. 603
2005-64, 2005-39 I.R.B. 600
2005-65, 2005-41 I.R.B. 684
2005-66, 2005-41 I.R.B. 686
2005-67, 2005-43 I.R.B. 771
2005-68, 2005-44 I.R.B. 853
2005-69, 2005-44 I.R.B. 852
2005-70, 2005-45 I.R.B. 919
2005-71, 2005-45 I.R.B. 923

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

Tax Conventions:

2005-47, 2005-28 I.R.B. 71
2005-72, 2005-41 I.R.B. 692
2005-77, 2005-44 I.R.B. 855

Treasury Decisions:

9208, 2005-31 I.R.B. 157
9209, 2005-31 I.R.B. 153
9210, 2005-33 I.R.B. 290
9211, 2005-33 I.R.B. 287
9212, 2005-35 I.R.B. 429
9213, 2005-35 I.R.B. 440
9214, 2005-35 I.R.B. 435
9215, 2005-36 I.R.B. 468
9216, 2005-36 I.R.B. 461
9217, 2005-37 I.R.B. 498
9218, 2005-37 I.R.B. 503
9219, 2005-38 I.R.B. 538
9220, 2005-39 I.R.B. 596
9221, 2005-39 I.R.B. 604
9222, 2005-40 I.R.B. 614
9223, 2005-39 I.R.B. 591
9224, 2005-41 I.R.B. 688
9225, 2005-42 I.R.B. 716
9226, 2005-43 I.R.B. 772
9227, 2005-45 I.R.B. 924

Finding List of Current Actions on Previously Published Items¹

Bulletins 2005–27 through 2005–45

Announcements:

84-26

Obsoleted by
REG-149436-04, 2005-35 I.R.B. 454

2004-72

Updated and superseded by
Ann. 2005-59, 2005-37 I.R.B. 524

2005-36

Modified by
Rev. Proc. 2005-66, 2005-37 I.R.B. 509

2005-53

Corrected by
Ann. 2005-61, 2005-36 I.R.B. 495

Notices:

89-111

Amplified by
Notice 2005-61, 2005-39 I.R.B. 607

2001-42

Modified by
Rev. Proc. 2005-66, 2005-37 I.R.B. 509

2005-4

Modified by
Notice 2005-62, 2005-35 I.R.B. 443

2005-10

Clarified by
Notice 2005-64, 2005-36 I.R.B. 471

2005-38

Modified by
Notice 2005-64, 2005-36 I.R.B. 471

2005-51

Modified and superseded by
Notice 2005-57, 2005-32 I.R.B. 267

Proposed Regulations:

REG-108524-00

Corrected by
Ann. 2005-68, 2005-39 I.R.B. 613

REG-142686-01

Withdrawn by
Ann. 2005-55, 2005-33 I.R.B. 317

REG-100420-03

Corrected by
Ann. 2005-57, 2005-33 I.R.B. 318

REG-102144-04

Corrected by
Ann. 2005-56, 2005-33 I.R.B. 318

Revenue Procedures:

64-54

Obsoleted by
Rev. Rul. 2005-43, 2005-29 I.R.B. 88

66-33

Obsoleted by
Rev. Rul. 2005-43, 2005-29 I.R.B. 88

69-13

Obsoleted by
Rev. Rul. 2005-43, 2005-29 I.R.B. 88

70-8

Modified by
Rev. Proc. 2005-46, 2005-30 I.R.B. 142

71-1

Obsoleted by
Rev. Rul. 2005-43, 2005-29 I.R.B. 88

72-22

Obsoleted by
Rev. Rul. 2005-43, 2005-29 I.R.B. 88

83-77

Superseded by
Rev. Proc. 2005-63, 2005-36 I.R.B. 491

87-8

Obsoleted by
Rev. Proc. 2005-44, 2005-29 I.R.B. 110

87-9

Obsoleted by
Rev. Proc. 2005-44, 2005-29 I.R.B. 110

89-20

Superseded by
Rev. Proc. 2005-52, 2005-34 I.R.B. 326

90-11

Modified by
Rev. Proc. 2005-40, 2005-28 I.R.B. 83

90-30

Section 4 superseded by
Rev. Proc. 2005-54, 2005-34 I.R.B. 353
Section 5 superseded by
Rev. Proc. 2005-55, 2005-34 I.R.B. 367
Section 6 superseded by
Rev. Proc. 2005-56, 2005-34 I.R.B. 383
Section 7 superseded by
Rev. Proc. 2005-58, 2005-34 I.R.B. 402
Section 8 superseded by
Rev. Proc. 2005-59, 2005-34 I.R.B. 412

90-31

Section 4 superseded by
Rev. Proc. 2005-52, 2005-34 I.R.B. 326
Section 5 superseded by
Rev. Proc. 2005-54, 2005-34 I.R.B. 353
Section 6 superseded by
Rev. Proc. 2005-55, 2005-34 I.R.B. 367

Revenue Procedures— Continued:

Section 7 superseded by
Rev. Proc. 2005-56, 2005-34 I.R.B. 383
Section 8 superseded by
Rev. Proc. 2005-58, 2005-34 I.R.B. 402
Section 9 superseded by
Rev. Proc. 2005-59, 2005-34 I.R.B. 412

93-22

Obsoleted by
Rev. Proc. 2005-44, 2005-29 I.R.B. 110

98-18

Obsoleted by
Rev. Proc. 2005-45, 2005-30 I.R.B. 141

99-39

Superseded by
Rev. Proc. 2005-60, 2005-35 I.R.B. 449

2000-27

Modified and superseded by
Rev. Proc. 2005-66, 2005-37 I.R.B. 509

2000-31

Superseded by
Rev. Proc. 2005-60, 2005-35 I.R.B. 449

2000-49

Superseded by
Rev. Proc. 2005-41, 2005-29 I.R.B. 90

2001-9

Superseded by
Rev. Proc. 2005-60, 2005-35 I.R.B. 449

2001-16

Superseded by
Rev. Proc. 2005-42, 2005-30 I.R.B. 128

2002-9

Modified and amplified by
Rev. Rul. 2005-42, 2005-28 I.R.B. 67
Rev. Proc. 2005-35, 2005-28 I.R.B. 76
Rev. Proc. 2005-43, 2005-29 I.R.B. 107
Rev. Proc. 2005-47, 2005-32 I.R.B. 269

2002-49

Modified, amplified, and superseded by
Rev. Proc. 2005-62, 2005-37 I.R.B. 507

2004-50

Superseded by
Rev. Proc. 2005-49, 2005-31 I.R.B. 165

2004-54

Superseded by
Rev. Proc. 2005-65, 2005-38 I.R.B. 564

2004-58

Superseded by
Rev. Proc. 2005-69, 2005-44 I.R.B. 864

2004-64

Modified by
Ann. 2005-71, 2005-41 I.R.B. 714

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

Revenue Procedures— Continued:

2005-1

Amplified by
Rev. Proc. 2005-68, 2005-41 I.R.B. 694

2005-3

Amplified by
Rev. Proc. 2005-61, 2005-37 I.R.B. 507
Rev. Proc. 2005-68, 2005-41 I.R.B. 694

2005-6

Modified by
Rev. Proc. 2005-66, 2005-37 I.R.B. 509

2005-10

Superseded by
Rev. Proc. 2005-67, 2005-42 I.R.B. 729

2005-16

Modified by
Rev. Proc. 2005-66, 2005-37 I.R.B. 509

2005-65

Corrected by
Ann. 2005-78, 2005-44 I.R.B. 918

Revenue Rulings:

65-109

Obsoleted by
Rev. Rul. 2005-43, 2005-29 I.R.B. 88

68-549

Obsoleted by
Rev. Rul. 2005-43, 2005-29 I.R.B. 88

74-203

Revoked by
Rev. Rul. 2005-59, 2005-37 I.R.B. 505

82-29

Modified and clarified by
Rev. Proc. 2005-39, 2005-28 I.R.B. 82

2005-41

Corrected by
Ann. 2005-50, 2005-30 I.R.B. 152

Treasury Decisions:

9149

Removed by
T.D. 9221, 2005-39 I.R.B. 604

9186

Corrected by
Ann. 2005-53, 2005-31 I.R.B. 258

9193

Corrected by
Ann. 2005-62, 2005-36 I.R.B. 495

9205

Corrected by
Ann. 2005-63, 2005-36 I.R.B. 496

9206

Corrected by
Ann. 2005-49, 2005-29 I.R.B. 119

Treasury Decisions— Continued:

9207

Corrected by
Ann. 2005-52, 2005-31 I.R.B. 257

9210

Corrected by
Ann. 2005-64, 2005-37 I.R.B. 537