

## **HIGHLIGHTS OF THIS ISSUE**

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

### **INCOME TAX**

#### **Rev. Rul. 2007-49, page 237.**

**Post-grant restrictions.** This ruling sets forth the tax consequences under section 83 of the Code when restrictions are imposed on substantially vested stock causing that stock to become substantially nonvested. The ruling holds that if the imposition of such restrictions occurs in the absence of an exchange of stock, the substantially nonvested stock is not subject to section 83. However, if the substantially vested stock is exchanged for substantially nonvested stock, the substantially nonvested stock is subject to section 83.

#### **T.D. 9326, page 242.**

Final regulations under section 954 of the Code contain rules for determining whether a controlled foreign corporation's (CFC's) distributive share of partnership income is excluded from foreign personal holding company income under the exception contained in section 954(i) (active insurance exception). The regulations will affect CFCs that are qualified insurance companies, as defined in section 953(e)(3), that have an interest in a partnership, and U.S. shareholders of such CFCs.

#### **T.D. 9330, page 239.**

#### **REG-144540-06, page 296.**

Temporary and proposed regulations under section 382 of the Code provide guidance regarding the treatment of prepaid income under the built-in gain provisions of section 382(h).

#### **Announcement 2007-66, page 296.**

This announcement provides notice of a public hearing on proposed regulations (REG-109367-06, 2006-41 I.R.B. 683) clarifying the circumstances in which accounts or notes receivable are "acquired . . . for services rendered" within the meaning of section 1221(a)(4) of the Code. The public hearing is scheduled for August 22, 2007.

### **ADMINISTRATIVE**

#### **Rev. Proc. 2007-50, page 244.**

**General rules and specifications for private printing of substitute forms.** This procedure provides requirements for reproducing paper substitutes and for furnishing substitute recipient statements for Forms 1096, 1098, 1099, 5498, W-2G, and 1042-S. It will be reproduced as the next revision of Publication 1179. Rev. Proc. 2007-15 superseded.

#### **Rev. Proc. 2007-54, page 293.**

The Service is establishing a procedure for temporary relief from certain requirements of section 42 of the Code for owners of low-income housing buildings and housing credit agencies in major disaster areas declared by the President. Rev. Proc. 95-28 superseded.

Finding Lists begin on page ii.  
Index for July begins on page iv.



# The IRS Mission

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

applying the tax law with integrity and fairness to all.

## Introduction

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

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

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

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

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

The Bulletin is divided into four parts as follows:

### **Part I.—1986 Code.**

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

### **Part II.—Treaties and Tax Legislation.**

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

### **Part III.—Administrative, Procedural, and Miscellaneous.**

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

### **Part IV.—Items of General Interest.**

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

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

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

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

## Section 83.—Property Transferred in Connection With Performance of Services

26 CFR 1.83-3: Meaning and use of certain terms.

**Post-grant restrictions.** This ruling sets forth the tax consequences under section 83 of the Code when restrictions are imposed on substantially vested stock causing that stock to become substantially nonvested. The ruling holds that if the imposition of such restrictions occurs in the absence of an exchange of stock, the substantially nonvested stock is not subject to section 83. However, if the substantially vested stock is exchanged for substantially nonvested stock, the substantially nonvested stock is subject to section 83.

### Rev. Rul. 2007-49

#### ISSUES

1) Is there a transfer of substantially nonvested stock subject to § 83 of the Internal Revenue Code where restrictions imposed on substantially vested stock cause the substantially vested stock to become substantially nonvested?

2) Is there a transfer of substantially nonvested stock subject to § 83 where a service provider exchanges substantially vested stock for substantially nonvested stock in a reorganization described in § 368(a)?

3) Is there a transfer of substantially nonvested stock subject to § 83 where a service provider exchanges substantially vested stock for substantially nonvested stock in a taxable stock acquisition?

#### FACTS

Investors form Corporation X in 2004, by contributing \$1,000 each to Corporation X in exchange for 100 shares of Corporation X stock. In exchange for Individual A's agreement to perform services for Corporation X, Corporation X issues 100 shares of its stock to A. The fair market value of the Corporation X stock on that date is \$10 per share. The shares of Corporation X stock transferred to A are

"substantially vested" within the meaning of § 1.83-3(b) of the Income Tax Regulations.

For the 2004 taxable year, the amount included in A's income under § 83(a) is \$1,000 (the fair market value of the stock (\$10 x 100 shares) less the amount paid (\$0)). A's basis in the stock is \$1,000.

*Situation 1.* In connection with its plan to start a new business venture, Corporation X seeks financing from Investor M on July 9, 2007. Investor M agrees to invest funds in Corporation X in exchange for a specified number of shares and the further requirement that A agree to subject A's shares to a restriction that will cause the stock to be "substantially nonvested" within the meaning of § 1.83-3(b). Under this restriction, if the employment of A with Corporation X terminates before July 9, 2009, A must sell the shares to Corporation X in exchange for the lesser of \$150 per share (the fair market value of Corporation X stock on July 9, 2007) or the fair market value at the time of forfeiture. In addition, the shares are nontransferable before that date. A remains employed with Corporation X, and on July 9, 2009, the fair market value of Corporation X stock is \$250 per share.

*Situation 2.* Corporation Y, a corporation unrelated to Corporation X, agrees to acquire all of the stock of Corporation X. Accordingly, on August 9, 2010, Corporation Y causes Corporation Z (a newly formed wholly-owned subsidiary of Corporation Y) to merge into Corporation X in a transaction that qualifies as a reorganization described in § 368(a). In the merger, the shareholders of Corporation X receive solely Corporation Y voting stock in exchange for their Corporation X stock. The fair market value of the Corporation X stock on August 9, 2010, is \$310 per share.

In the merger, A's 100 shares of substantially vested Corporation X stock are exchanged for 100 shares of Corporation Y stock subject to a restriction that will cause the stock to be "substantially nonvested" within the meaning of § 1.83-3(b). Under this restriction, if A's employment with Corporation X is terminated for any reason before August 9, 2013, A must sell the substantially nonvested Corporation Y

shares to Corporation Y in exchange for the lesser of \$310 per share (the fair market value of the shares on August 9, 2010) or the fair market value at the time of forfeiture. In addition, the shares are nontransferable before that date. No other shareholder of Corporation X receives Corporation Y stock subject to a restriction.

A timely files an election under § 83(b) with respect to the substantially nonvested Corporation Y stock A receives in the merger.

A continues to be employed by Corporation X until August 9, 2013 at which time the fair market value of the stock is \$500. A sells the stock on October 31, 2014 when the fair market value of the stock is \$550 per share.

*Situation 3.* Assume the same facts as in *Situation 2* except that in the merger half of the Corporation X stock is exchanged for cash and half is exchanged for Corporation Y stock, the transaction is fully taxable, and all of A's Corporation X stock is exchanged for Corporation Y stock.

#### LAW

Section 83, provides that if, in connection with the performance of services, property is transferred to any person other than the service recipient, the excess of the fair market value of the property (determined without regard to any restriction other than a restriction which by its terms will never lapse), on the first day that the rights to the property are either transferable or not subject to a substantial risk of forfeiture, over the amount paid for the property is included in the service provider's gross income for the first taxable year in which the rights to the property are either transferable or not subject to a substantial risk of forfeiture.

Section 1.83-3(f) provides that property transferred to an employee or independent contractor (or beneficiary thereof) in recognition of the performance of, or the refraining from performance of, services is considered transferred in connection with the performance of services within the meaning of § 83. However, the existence of other persons entitled to buy stock on the same terms and conditions as an

employee, whether pursuant to a public or private offering, may indicate that in such circumstances a transfer to the employee is not in recognition of the performance of, or the refraining from performance of, services.

Subjecting stock to a restriction that will cause it to be “substantially nonvested” (within the meaning of § 1.83-3(b)) indicates that the property is transferred in connection with the performance of services even if the employee pays fair value for the stock. See *Alves v. Commissioner*, 734 F.2d 478 (9th Cir. 1984), *aff’g* 79 T.C. 864 (1982).

Section 1.83-1(a)(1) provides that property transferred in connection with the performance of services is not taxable under § 83(a) until it has been transferred (as defined in § 1.83-3(a)) to an employee or independent contractor and becomes substantially vested (as defined in § 1.83-3(b)) in such person. Until such property becomes substantially vested, the transferor is regarded as the owner of the property, and any income from such property received by the employee or independent contractor (or beneficiary thereof) or the right to the use of such property by the employee or independent contractor constitutes additional compensation and must be included in the gross income of such employee or independent contractor for the taxable year in which such income is received or such use is made available.

Section 83(b) provides that any person who has performed services in connection with which property is transferred to any person may elect to include in gross income, for the taxable year in which such property is transferred, the excess of the fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse) over the amount paid for such property.

Section 1.83-2(a) provides, in part, that the fact that the transferee has paid full value for the property transferred, realizing no bargain element in the transaction, does not preclude the use of the election under § 83(b). If this election is made, the substantial vesting rules of § 83(a) and the regulations thereunder do not apply with respect to such property. Thus, with respect to such property, the excess (if any) of the fair market value of the property

at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse) over the amount (if any) paid for such property is includible in gross income as compensation at the time of transfer, and no compensation will be includible in gross income when such property becomes substantially vested. An employee who makes an election under § 83(b) is considered to be the owner of the property. See Rev. Rul. 83-22, 1983-1 C.B. 17.

Section 1001(a) provides that the gain from the sale or other disposition of property is the excess of the amount realized over the adjusted basis provided in § 1011 for determining gain, and the loss is the excess of the adjusted basis provided in such section for determining loss over the amount realized.

Section 1001(b) provides that the amount realized from the sale or other disposition of the property is the sum of any money received plus the fair market value of the property (other than money) received.

Section 1001(c) provides, except as otherwise provided in Subtitle A, the entire amount of the gain or loss, determined under section 1001, on the sale or exchange of the property shall be recognized.

Section 1.83-3(g) provides that for purposes of § 83 and its regulations, the term “amount paid” refers to the value of any money or property paid for the transfer of property to which § 83 applies.

#### ANALYSIS — *Situation 1*

In *Situation 1*, in connection with the new investment, the substantially vested shares of Corporation X stock owned by A are subjected to a restriction causing them to be “substantially nonvested”. Because the substantially vested shares of Corporation X stock are already owned by A for purposes of § 83, there is no “transfer” under § 83. Thus, the imposition of new restrictions on the substantially vested shares has no effect for purposes of § 83.

When the substantially nonvested Corporation X stock becomes substantially vested on July 9, 2009, A does not recognize compensation income under § 83(a). A’s basis in the stock continues to be \$1,000.

#### ANALYSIS — *Situation 2*

In *Situation 2*, A receives 100 shares of Corporation Y stock with an exchanged basis of \$1,000 in the tax-free reorganization. Because the substantially vested Corporation X stock is exchanged for stock that is subjected to a restriction causing the shares to be “substantially nonvested,” the substantially nonvested shares are treated as having been transferred in connection with the performance of services, and thus, are subject to § 83. As a result of the § 83(b) election, A becomes the owner of those shares.

The “amount paid” for the stock under § 83 on the transfer of the substantially nonvested shares is the fair market value of the substantially vested Corporation X stock exchanged for the substantially nonvested Corporation Y stock (\$31,000) on the exchange date, August 9, 2010. On A’s election under § 83(b), \$31,000 is treated as the amount paid for the Corporation Y stock for purposes of applying § 83. On A’s return for the 2010 taxable year, A does not report any taxable income from the transfer of the Corporation Y stock under the § 83(b) election because the fair market value of the stock less the amount paid is \$0. A does not include any amount in compensation income in the 2013 taxable year when the stock becomes substantially vested because of the prior § 83(b) election. A’s basis in the Corporation Y stock continues to be \$1,000. Upon the sale of the shares in 2014, A recognizes capital gain of \$54,000, the amount by which \$55,000 (\$550, the fair market value of the stock, x 100 shares) exceeds A’s \$1,000 basis in the shares.

#### ANALYSIS — *Situation 3*

In *Situation 3*, A holds substantially vested Corporation X stock with a basis of \$1,000 at the time of the merger. A exchanges that substantially vested Corporation X stock for substantially nonvested Corporation Y stock with a fair market value of \$310 per share in a taxable transaction. Because A disposed of the substantially vested Corporation X stock in exchange for substantially nonvested Corporation Y stock in an exchange to which § 1001 applies, A recognizes capital gain on the disposition of the Corporation X stock in the amount of \$30,000 (\$31,000

fair market value of substantially nonvested Corporation Y stock (\$310 per share x 100 shares) less \$1,000 basis in the Corporation X stock). A's basis in the Corporation Y stock is \$31,000.

Because the substantially vested Corporation X stock is exchanged for Corporation Y stock that is subjected to a restriction causing the shares to be "substantially nonvested," the substantially nonvested shares are treated as having been transferred in connection with the performance of services, and thus, are subject to § 83.

As in *Situation 2*, the "amount paid" for the stock under § 83 is \$31,000. When A makes an election under § 83(b) with respect to the Corporation Y stock, A does not report any additional amount of income for the 2010 taxable year as a result of such election because the fair market value of the stock less the amount paid for the stock is \$0. A does not include any amount in compensation income in the 2013 taxable year when the stock becomes substantially vested because of the prior § 83(b) election. A's basis in the Corporation Y stock continues to be \$31,000. On the sale of the 100 shares in 2014, A will recognize capital gain of \$24,000, the amount by which \$55,000 (\$550, the sale price, x 100 shares) exceeds A's \$31,000 basis in the shares.

If A had not made an election under § 83(b) with respect to the Corporation Y stock, when the stock becomes substantially vested on August 9, 2013, A would include \$19,000 in gross income as compensation under § 83(a). This is the amount by which the fair market value of 100 Corporation Y shares (\$50,000 or \$500 per share) exceeds the amount paid for those shares (\$31,000). Consequently, A's basis in the Corporation Y stock would be increased by \$19,000 to \$50,000. See § 1.83-4(b). On the sale of the 100 shares, A would recognize capital gain of \$5,000, the amount by which \$55,000 (\$550, the sale price, x 100 shares) exceeds A's basis of \$50,000 in the shares.

#### HOLDINGS

1) There is not a transfer of substantially nonvested stock subject to § 83 where restrictions imposed on substantially vested stock cause the substantially vested stock to become substantially nonvested.

2) There is a transfer of substantially nonvested stock subject to § 83 where a service provider exchanges substantially vested stock for substantially nonvested stock in a reorganization described in § 368(a).

3) There is a transfer of substantially nonvested stock subject to § 83 where a service provider exchanges substantially vested stock for substantially nonvested stock in a taxable stock acquisition.

#### DRAFTING INFORMATION

The principal author of this revenue ruling is Jean Casey of the Office of Division Counsel/Associate Chief Counsel (Tax Exempt & Government Entities). However, other personnel from the IRS and Treasury Department participated in its development. For further information regarding this revenue ruling, contact Ms. Casey at (202) 622-6030 (not a toll-free call). For further information regarding issues with respect to subchapter C, contact Ms. Jean Brenner at (202) 622-7790 (not a toll-free number).

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

*26 CFR 1.382-7T: Built-in gains and losses (temporary).*

#### T.D. 9330

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

### Built-in Gains and Losses Under Section 382(h)

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Temporary regulations.

SUMMARY: This document contains temporary regulations that apply to corporations that have undergone ownership changes within the meaning of section 382. These regulations provide guidance regarding the treatment of prepaid income

under the built-in gain provisions of section 382(h). The text of these temporary regulations also serves as the text of the proposed regulations (REG-144540-06) set forth in the notice of proposed rule-making on this subject in this issue of the Bulletin.

**DATES: Effective Date:** These regulations are effective on June 14, 2007.

**Applicability Date:** For dates of applicability, see § 1.382-7T(b).

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

#### SUPPLEMENTARY INFORMATION:

##### Background

##### Section 382

Section 382 limits, after a more than 50 percent change in stock ownership (ownership change), the amount of a loss corporation's taxable income for any post-change year that may be offset by pre-change losses. The amount of the limitation each year is equal to the product of the fair market value of all the stock of the loss corporation immediately before the ownership change multiplied by the applicable long-term tax-exempt rate (section 382 limitation).

Section 382(h)(1)(A) provides that if the loss corporation has a net unrealized built-in gain (NUBIG), the section 382 limitation for any taxable year ending within a 5-year recognition period is increased by the recognized built-in gain (RBIG) for the taxable year, subject to the NUBIG limitation. Section 382(h)(2)(A) defines RBIG as any gain recognized during the 5-year recognition period on the disposition of any asset to the extent the loss corporation establishes that (i) it held the asset on the change date and (ii) such gain does not exceed the asset's built-in gain on the change date. Section 382(h)(6)(A) also treats as RBIG any item of income "properly taken into account during the recognition period" if the item is "attributable to periods before the change date."

In Notice 2003-65, 2003-2 C.B. 747, the IRS provided interim guidance regarding the identification of built-in gains and losses under section 382(h). The notice

provides, among other things, that a loss corporation may use the 338 approach in determining the amount of its RBIG or recognized built-in loss (RBIL) for purposes of section 382(h). The 338 approach identifies items of RBIG and RBIL generally by comparing the loss corporation's actual items of income, gain, deduction, and loss with those that would have resulted if a section 338 election had been made with respect to a hypothetical purchase of all of the outstanding stock of the loss corporation on the change date.

### *Prepaid Income*

Generally, a taxpayer, including an accrual method taxpayer that receives payments in advance of performance, must include the payments in gross income in the taxable year of receipt without regard to whether the required performance has occurred. In *Schlude v. Commissioner*, 372 U.S. 128 (1963), the Supreme Court held that advance payments for dance lessons were includable in gross income when received because the payments were nonrefundable and the services were provided on demand of the student. In *American Automobile Association v. United States*, 367 U.S. 687 (1961), the Supreme Court held that membership dues entitling members to emergency road assistance and trip-planning services were includable in gross income when received, even though the taxpayer's method reflected income in accordance with generally accepted accounting principles (which generally operate to defer income recognition until the item is economically earned).

However, courts have allowed the deferral of prepaid income in limited circumstances. In *Artnell Co. v. Commissioner*, 400 F.2d 981 (7th Cir. 1968), the court held that amounts received on advance ticket sales relating to major league baseball games to be played on fixed dates in the next year could be deferred to that year. In *Tampa Bay Devil Rays, Ltd. v. Commissioner*, T.C. Memo 2002-248, the Tax Court held that deposits received by a new baseball franchise (Devil Rays) in 1995 and 1996 on advance season tickets for major league baseball games to be played by the Devil Rays in its first season in 1998 could be deferred until 1998, even though the deferral period was greater than a year. The Tax Court emphasized that the

games were to be played on a fixed and definite schedule in 1998 and that deferral more clearly matched the deposits with the related expenses that were incurred and deducted in 1998.

Congress, the IRS, and Treasury Department have allowed deferral of prepaid income in certain circumstances. For example, section 455 allows taxpayers that have prepaid subscription income for newspapers, magazines, and other periodicals to elect to defer such income to the taxable years during which the liability to furnish or deliver the newspaper, magazine, or periodical exists. Section 1.451-5(b)(1)(ii) allows advance payments for the sale of goods to be deferred to the year the payments are included in gross receipts under the taxpayer's method of accounting for tax purposes (such as when the goods are shipped or delivered), unless the income is recorded earlier for purposes of the taxpayer's financial statements. For goods that must be inventoried, the permitted deferral is further limited by §1.451-5(c)(1) to the second year following the year substantial advance payments, as defined in §1.451-5(c)(3), are received.

Revenue Procedure 71-21, 1971-2 C.B. 549, which was modified and superseded by Rev. Proc. 2004-34, 2004-1 C.B. 991, allowed accrual method taxpayers that received a payment in one taxable year for services to be performed before the end of the next succeeding taxable year to defer income inclusion until the services were performed (but no later than the end of the succeeding taxable year). The stated purpose of the Revenue Procedure was to reconcile the tax accounting treatment of such payments with the financial accounting conventions consistently used by accrual method taxpayers in the treatment of such payments. Rev. Proc. 2004-34 allows a qualifying taxpayer to defer advance payments for services (and for certain non-services and combinations of services and non-services) to the taxable year succeeding the taxable year of receipt to the extent the taxpayer establishes that the advance payments are not recognized in revenues in the taxpayer's applicable financial statement in the taxable year of receipt; or, if the taxpayer does not have an applicable financial statement, the payment is not earned in the taxable year of receipt.

The common purpose of the prepaid income deferral provisions described above is to better match the taxpayer's income with the expenses incurred to earn that income and, as a result, to more clearly reflect the taxpayer's income both in the year of receipt and in the year of performance.

Certain taxpayers are taking the position that prepaid income received in the period before the change date (pre-change period) but included in gross income in the recognition period is RBIG. As further explained below, the IRS and Treasury Department believe that prepaid income is attributable to the period on or after the change date (post-change period) rather than the pre-change period. Thus, treating prepaid income as RBIG is inconsistent with the purposes of section 382(h).

### **Explanation of Provisions**

This temporary regulation provides that prepaid income is not recognized built-in gain. The term prepaid income means any amount received prior to the change date that is attributable to performance occurring on or after the change date. Examples to which the temporary regulation applies include, but are not limited to, income received prior to the change date that is deferred under section 455, §1.451-5, or Rev. Proc. 2004-34 (or any successor revenue procedure).

The IRS and Treasury Department believe that the section 382 legislative history, through the examples set forth therein, supports the position that prepaid income should not be treated as RBIG for section 382 purposes. The House and Senate Committee Reports that accompanied the enactment of section 382(h)(6)(A) both state that items of income attributable to the pre-change period include accounts receivable of a cash basis taxpayer that arose before the change date and are collected after that date, the gain on completion of a long-term contract performed by a taxpayer using the completed contract method of accounting that is attributable to the pre-change period, and the recognition of income attributable to the pre-change period pursuant to section 481 adjustments, as when the loss corporation is required to change to the accrual method. See H. Rep. No. 100-795, 46 (1988); S. Rep. No. 100-445, 48 (1988).

The IRS and Treasury Department believe that prepaid income is distinguishable from the income items described in the committee report examples. In each of the committee report examples, the item of income is attributable to the pre-change period because that is the period in which performance occurred and expenses were incurred to earn the income. By contrast, prepaid income is attributable to the post-change period because that is the period in which performance occurred and expenses were incurred to earn the income. Therefore, because prepaid income is attributable to the post-change period rather than the pre-change period, the IRS and Treasury Department have determined that such prepaid income should not be treated as RBIG under section 382(h).

The 338 approach described in Notice 2003–65 hereinafter will be applied consistently with this temporary regulation.

### Comments

The text of these temporary regulations also serves as the text of the proposed regulations set forth in the notice of proposed rulemaking on this subject in this issue of the Bulletin. Please see the “Comments and Requests for a Public Hearing” section of the notice of proposed rulemaking for the procedures to follow in submitting comments on the proposed regulations on this subject.

In preparing comments on the proposed regulations, please consider the following. In Notice 2003–65, comments were requested regarding the different approaches, including the 338 approach, set forth for determining RBIG and RBIL under section 382(h). The IRS and Treasury Department believe the 338 approach, in most cases, will properly identify whether or not an item of income or deduction is treated as RBIG or RBIL. However, the IRS and Treasury Department are concerned that taking items of income and deduction into account separately may cause the 338 approach, in some cases, to not properly identify whether or not an item of income or deduction is treated as RBIG or RBIL. The purpose of section 382(h)(6) is to treat items of income or deduction in similar fashion to gain and loss under section 382(h)(2). However, under general tax principles, there is a fundamental difference between the treatment

of items of income or deduction and items of gain or loss. On the one hand, under section 382(h)(2), which incorporates the principles of section 1001, gain or loss on the disposition of an asset is taken into account net of the taxpayer’s basis, or investment, in the assets. In contrast, under section 382(h)(6), an item of income is generally a gross amount that is not netted and therefore not necessarily matched with the item of deduction incurred to earn the item of income.

Therefore, the IRS and Treasury Department request comments on the proposed regulations about identifying cases where taking into account items of income and deduction separately may cause the 338 approach to not properly identify whether or not an item of income or deduction is treated as RBIG or RBIL, and how the 338 approach might be adapted so that in such cases it properly identifies whether or not an item of income or deduction is treated as RBIG or RBIL.

### Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. These temporary regulations address situations in which taxpayers inappropriately attempt to treat deferred prepaid income as net unrealized built-in gain for purposes of increasing the amount of post-ownership change income that may be offset by pre-ownership change losses. For this reason, it has been determined pursuant to 5 U.S.C. 553(b)(B) that prior notice and public procedure are impracticable and contrary to the public interest. For the same reason, it has been determined pursuant to 5 U.S.C. 553(d)(3) that good cause exists to make these temporary regulations effective upon the date of publication. For applicability of the Regulatory Flexibility Act (5 U.S.C. chapter 6) refer to the Special Analyses section of the preamble to the cross-reference notice of the proposed rulemaking published in this issue of the Bulletin. Pursuant to section 7805(f) of the Code, these temporary regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

### Drafting Information

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

### Availability of IRS Documents

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

\* \* \* \* \*

### Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

#### PART 1—INCOME TAXES

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

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

Section 1.382–7T also issued under 26 U.S.C. 382(m).\* \* \*

Par. 2. Section 1.382–7T is added to read as follows:

*§1.382–7T Built-in gains and losses (temporary).*

(a) *Treatment of prepaid income.* For purposes of section 382(h), prepaid income is not recognized built-in gain. The term *prepaid income* means any amount received prior to the change date that is attributable to performance occurring on or after the change date. Examples to which this paragraph (a) will apply include, but are not limited to, income received prior to the change date that is deferred under section 455, §1.451–5, or Rev. Proc. 2004–34, 2004–1 C.B. 991 (or any successor revenue procedure) (see §601.601(d)(2) of this chapter).

(b) *Effective/Applicability date.* (1) This section applies to loss corporations that have undergone an ownership change on or after June 14, 2007.

(2) The applicability of this section expires on or before June 11, 2010.

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

Approved June 4, 2007.

Eric Solomon,  
Assistant Secretary  
of the Treasury.

(Filed by the Office of the Federal Register on June 13, 2007, 8:45 a.m., and published in the issue of the Federal Register for June 14, 2007, 72 F.R. 32792)

## Section 954.—Foreign Base Company Income

26 CFR 1.954-2: Foreign personal holding company income.

### T.D. 9326

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

### Guidance Under Subpart F Relating to Partnerships

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of the temporary regulations.

SUMMARY: This document contains final regulations providing guidance under subpart F relating to partnerships. The final regulations add rules for determining whether a controlled foreign corporation's (CFC's) distributive share of partnership income is excluded from foreign personal holding company income under the exception contained in section 954(i). These regulations will affect CFCs that are qualified insurance companies, as defined in section 953(e)(3), that have an interest in a partnership and U.S. shareholders of such CFCs.

DATES: *Effective Date:* These regulations are effective July 13, 2007.

*Applicability Date:* For date of applicability, see §1.954-2(a)(5)(v).

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

## SUPPLEMENTARY INFORMATION:

### Background

On January 17, 2006, the IRS and the Treasury Department published in the **Federal Register** a notice of proposed rulemaking (REG-106418-05, 2006-1 C.B. 461 [71 FR 2496]) by cross-reference to temporary regulations (T.D. 9240, 2006-1 C.B. 454 [71 FR 2462]) (collectively, the January 2006 regulations), which provide that a CFC's distributive share of partnership income will qualify for the exception contained in section 954(i) of the Internal Revenue Code (Code) if the CFC is a qualifying insurance company and the income of the partnership would have been qualified insurance income under section 954(i) if received by the CFC directly. Thus, whether the CFC partner's distributive share of partnership income is qualified insurance income is determined at the CFC partner level.

The IRS and the Treasury Department received no comments responding to the January 2006 regulations and no public hearing was requested or held. Accordingly, the proposed regulations are adopted without change by this Treasury decision and the corresponding temporary regulations are removed.

### Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedures 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 Code, the notice of proposed rulemaking that preceded these regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

### Drafting Information

The principal author of these regulations is Kate Y. Hwa of the Office of the

Associate Chief Counsel (International). However, other personnel from the IRS and Treasury Department participated in their development.

\* \* \* \* \*

### Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

#### PART 1—INCOME TAXES

Paragraph 1. The authority citation for 26 CFR part 1 continues to read, in part, as follows:

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

Par. 2. Section 1.954-2 is amended by revising paragraphs (a)(5)(ii)(C) and (a)(5)(iii) *Example 2*, to read as follows:

*§1.954-2 Foreign personal holding company income.*

(a) \* \* \*

(5) \* \* \*

(ii) \* \* \*

(C) A controlled foreign corporation's distributive share of partnership income will not be excluded from foreign personal holding company income under the exception contained in section 954(i) unless the controlled foreign corporation is a qualifying insurance company, as defined in section 953(e)(3), and the income of the partnership would have been qualified insurance income, as defined in section 954(i)(2), if received by the controlled foreign corporation directly. See §1.952-1(g)(1).

(iii) \* \* \*

*Example 2.* D Corp, a Country F corporation, is a controlled foreign corporation within the meaning of section 957(a). D Corp is a qualifying insurance company, within the meaning of section 953(e)(3), that is engaged in the business of issuing life insurance contracts. D Corp has reserves of \$100x, all of which are allocable to exempt contracts, and \$10x of surplus, which is equal to 10 percent of the reserves allocable to exempt contracts. D Corp contributed the \$100x of reserves and \$10x of surplus to DJ Partnership in exchange for a 40-percent partnership interest. DJ Partnership is an entity organized under the laws of Country G and is treated as a partnership under the laws of Country G and Country F. DJ Partnership earns \$30x of investment income during the taxable year that is received from persons who are not related persons with respect to D Corp, within the meaning of section 954(d)(3). D Corp's distributive share of this investment income is



\$12x. This income is treated as earned by D Corp in Country F under the tax laws of Country F and meets the definition of exempt insurance income in section 953(e)(1). This \$12x of investment income would be qualified insurance income, under section 954(i)(2), if D Corp had received the income directly, because the \$110x invested by D Corp in DJ Partnership is equal to D Corp's reserves allocable to exempt contracts under section 954(i)(2)(A) and allowable surplus under section 954(i)(2)(B)(ii). Thus, D Corp's distributive share of DJ Partnership's income will be excluded from foreign personal holding company income under section 954(i).

\* \* \* \* \*

**§1.954-2T [REMOVED]**

Par. 3. Section 1.954-2T is removed.

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

Approved July 2, 2007.

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

(Filed by the Office of the Federal Register on July 12, 2007, 8:45 a.m., and published in the issue of the Federal Register for July 13, 2007, 72 FR. 38474)

# Part III. Administrative, Procedural, and Miscellaneous

**Note.** This revenue procedure will be reproduced as the next revision of IRS Publication 1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, W-2G, and 1042-S.

*26 CFR 601.602: Forms and instructions.*

*(Also Part 1, Sections 220, 408, 408A, 529, 530(h), 1441, 6041, 6041A, 6042, 6043, 6044, 6045, 6047, 6049, 6050A, 6050B, 6050D, 6050E, 6050H, 6050J, 6050N, 6050P, 6050Q, 6050R, 6050S, 1.408-5, 1.408-7, 1.408A-7, 1.1441-1 through 1.1441-5, 1.6041-1, 7.6041-1, 1.6042-2, 1.6042-4, 1.6044-2, 1.6044-5, 1.6045-1, 5f.6045-1, 1.6045-2, 1.6045-4, 1.6047-1, 1.6049-4, 1.6049-6, 1.6049-7, 1.6050A-1, 1.6050B-1, 1.6050D-1, 1.6050E-1, 1.6050H-1, 1.6050H-2, 1.6050J-1T, 1.6050N-1, 1.6050P-1.)*

## Rev. Proc. 2007-50

### TABLE OF CONTENTS

#### Part 1 General Information

SECTION 1.1 — OVERVIEW OF REVENUE PROCEDURE 2007-50 .....	245
SECTION 1.2 — GENERAL REQUIREMENTS FOR ACCEPTABLE SUBSTITUTE FORMS 1096, 1098, 1099, 5498, W-2G, AND 1042-S .....	247
SECTION 1.3 — DEFINITIONS .....	249

#### Part 2 Specifications for Substitute Forms 1096 and Copies A of Forms 1098, 1099, and 5498 (All Filed with the IRS)

SECTION 2.1 — SPECIFICATIONS .....	249
SECTION 2.2 — INSTRUCTIONS FOR PREPARING PAPER FORMS THAT WILL BE FILED WITH THE IRS .....	252

#### Part 3 Specifications for Substitute Form W-2G (Filed with the IRS)

SECTION 3.1 — GENERAL .....	254
SECTION 3.2 — SPECIFICATIONS FOR COPY A OF FORM W-2G .....	254

#### Part 4 Substitute Statements to Form Recipients and Form Recipient Copies

SECTION 4.1 — SPECIFICATIONS .....	255
SECTION 4.2 — COMPOSITE STATEMENTS .....	258
SECTION 4.3 — REQUIRED LEGENDS .....	259
SECTION 4.4 — MISCELLANEOUS INSTRUCTIONS FOR COPIES B, C, D, 1, AND 2 .....	260
SECTION 4.5 — ELECTRONIC DELIVERY OF FORM 1099 AND FORM 5498 PAYEE STATEMENTS .....	261

#### Part 5 Additional Instructions for Substitute Forms 1098, 1099, 5498, W-2G, and 1042-S

SECTION 5.1 — PAPER SUBSTITUTES FOR FORM 1042-S .....	262
SECTION 5.2 — OMB REQUIREMENTS FOR ALL FORMS IN THIS REVENUE PROCEDURE .....	264
SECTION 5.3 — REPRODUCIBLE COPIES OF FORMS .....	265
SECTION 5.4 — EFFECT ON OTHER REVENUE PROCEDURES .....	265

#### Part 6 Exhibits

SECTION 6.1 — EXHIBITS OF FORMS IN THE REVENUE PROCEDURE .....	265
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## Part 1 General Information

### Section 1.1 — Overview of Revenue Procedure 2007–50

#### 1.1.1 Purpose

The purpose of this revenue procedure is to set forth the 2007 requirements for:

- Using official Internal Revenue Service (IRS) forms to file information returns with the IRS,
- Preparing acceptable substitutes of the official IRS forms to file information returns with the IRS, and
- Using official or acceptable substitute forms to furnish information to recipients.

#### 1.1.2 Which Forms Are Covered?

This revenue procedure contains specifications for these information returns:

Form	Title
1096	Annual Summary and Transmittal of U.S. Information Returns
1098	Mortgage Interest Statement
1098-C	Contributions of Motor Vehicles, Boats, and Airplanes
1098-E	Student Loan Interest Statement
1098-T	Tuition Statement
1099-A	Acquisition or Abandonment of Secured Property
1099-B	Proceeds From Broker and Barter Exchange Transactions
1099-C	Cancellation of Debt
1099-CAP	Changes in Corporate Control and Capital Structure
1099-DIV	Dividends and Distributions
1099-G	Certain Government Payments
1099-H	Health Coverage Tax Credit (HCTC) Advance Payments
1099-INT	Interest Income
1099-LTC	Long-Term Care and Accelerated Death Benefits
1099-MISC	Miscellaneous Income
1099-OID	Original Issue Discount
1099-PATR	Taxable Distributions Received From Cooperatives
1099-Q	Payments From Qualified Education Programs (Under Sections 529 and 530)
1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
1099-S	Proceeds From Real Estate Transactions
1099-SA	Distributions From an HSA, Archer MSA, or Medicare Advantage MSA
5498	IRA Contribution Information
5498-ESA	Coverdell ESA Contribution Information
5498-SA	HSA, Archer MSA, or Medicare Advantage MSA Information

Form	Title
W-2G	Certain Gambling Winnings
1042-S	Foreign Person's U.S. Source Income Subject to Withholding

### 1.1.3 Scope

For purposes of this revenue procedure, a substitute form or statement is one that is not printed by the IRS. For a substitute form or statement to be acceptable to the IRS, it must conform to the official form or the specifications outlined in this revenue procedure. Do not submit any substitute forms or statements listed above to the IRS for approval. Privately printed forms may not state, "This is an IRS approved form."

Filers making payments to certain recipients during a calendar year are required by the Internal Revenue Code (the Code) to file information returns with the IRS for these payments. These filers must also provide this information to their recipients. In some cases, this also applies to payments received. See *Part 4* for specifications that apply to recipient statements (generally Copy B).

In general, section 6011 of the Code contains requirements for filers of information returns. A filer must file information returns on magnetic media, through electronic media, or on paper. A filer who is required to file 250 or more information returns of any one type during a calendar year must file those returns by magnetic media or electronic media.

Although not required, small volume filers (fewer than 250 returns during a calendar year) may file the forms on magnetic media or electronically. See the legal requirements for filing information returns (and providing a copy to a payee) in the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G and the 2007 Instructions for Form 1042-S. In addition, see the most recent revision of Publication 1220, *Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically or Magnetically*.

### 1.1.4 For More Information

The IRS prints and provides the forms on which various payments must be reported. Alternatively, filers may prepare substitute copies of these IRS forms and use such forms to report payments to the IRS.

- For copies of the official forms and instructions, call our toll-free number at 1-800-TAX-FORM (1-800-829-3676).
- The IRS operates a central call site to answer questions related to information returns, penalties, and backup withholding. The hours of operation are Monday through Friday from 8:30 a.m. to 4:30 p.m., Eastern time. For your convenience, you may call the toll-free number, 1-866-455-7438. You may still use the original telephone number, 304-263-8700 (not toll-free). For TTY/TDD equipment, call 304-267-3367 (not toll-free).
- For other tax information related to business returns or accounts, call 1-800-829-4933. If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax account questions or to order forms and publications.

### 1.1.5 What's New

The following changes have been made to this year's Revenue Procedure:

- Form 1042-S: New regulations under section 1.671-5 provide reporting rules for widely held fixed investment trusts (WHFITs). A new income code 37 has been added to report distributions that are a return of capital. Beginning with tax year 2008, processing year 2009, the IRS will no longer accept tape cartridges. In addition, you will not be able to use magnetic media to file Forms 1099, 1098, 5498, W-2G, and 1042-S.
- Form 1098: Box 4 has been revised and new box 5 added to comply with the new reporting requirements mandated by the Tax Relief and Health Care Act of 2006 section 419 (P.L. 109-432) requiring the reporting of certain mortgage insurance premiums paid or accrued after December 31, 2006. The previously untitled box 4 is now titled "Mortgage insurance premiums" and the legend on Copy B has been revised to include box 4 in the list of boxes containing information that is being furnished to the Internal Revenue Service.

A new box 5 has been added to serve the function previously performed by box 4. Box 5 is to be used by the filer to provide any information to the recipient that may be useful, but which is not required, such as the address of the property. A description of the new information has been added to the back of Copy B for box 4 and new box 5. Payers are, in the box 4 information, directed to the instructions for Schedule A (Form 1040) for additional information on the deductibility of mortgage insurance premiums.

- Final Regulations section 1.671-5(d) requires trustees and middlemen to file with the IRS the appropriate Form 1099 beginning with calendar year 2007. The appropriate forms include Form 1099-DIV, 1099-B, 1099-INT, 1099-MISC or 1099-OID. For additional reporting information, see Part A in the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
- Form 1099-G: A separate Form 1099-G is required to report distributions from a contributory program treated as unemployment compensation. For additional reporting information, see box 1, Unemployment compensation of, Form 1099-G instructions.
- Logos and advertising: The IRS has identified questionable information reporting forms, for instance the Form 1099 as a key indicator of potentially abusive and fraudulent returns. Some questionable information reporting forms may be confused with legitimate information reporting that carries logos and advertisements. The IRS has received questions concerning whether a logo or an identifying slogan for an employer or other preparer is acceptable on the substitute employee statements. We were also asked whether an advertisement for tax preparation software or other marketing materials are acceptable on, or attached to, the substitute employee statements. The IRS is continuing to solicit comments regarding these questions. The IRS anticipates responding to these questions by revising the regulations concerning this issue after the comments have been considered, and it will include requirements brought about by the regulations in a future update of this revenue procedure. Send your comments to:

Internal Revenue Service  
Attn: Substitute Forms Program  
SE:W:CAR:MP:T:T:SP  
1111 Constitution Ave., NW  
Room 6406  
Washington DC 20224

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## Section 1.2 — General Requirements for Acceptable Substitute Forms 1096, 1098, 1099, 5498, W-2G, and 1042-S

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### 1.2.1 Introduction

Paper substitutes for Form 1096 and Copy A of Forms 1098, 1099, 5498, W-2G, and 1042-S that totally conform to the specifications listed in this revenue procedure may be privately printed and filed as returns with the IRS. The reference to the Department of the Treasury — Internal Revenue Service should be included on all such forms.

If you are uncertain of any specification and want it clarified, you may submit a letter citing the specification, stating your understanding and interpretation of the specification, and enclosing an example of the form (if appropriate) to:

Internal Revenue Service  
Attn: Substitute Forms Program  
SE:W:CAR:MP:T:T:SP  
1111 Constitution Ave., NW  
Room 6406  
Washington DC 20224

**Note.** Allow at least 30 days for the IRS to respond.

You may also contact the Substitute Forms Program via e-mail at [\\*taxforms@irs.gov](mailto:*taxforms@irs.gov) (the asterisk must be included in the address). Please enter “Substitute Forms” on the Subject Line.

Forms 1096, 1098, 1099, 5498, W-2G, and 1042-S are subject to annual review and possible change. Therefore, filers are cautioned against overstocking supplies of privately printed substitutes. The specifications contained in this revenue procedure apply to 2007 forms only.

### 1.2.2 Copy A Specifications

Proposed substitutes of Copy A must be an exact replica of the official IRS form with respect to layout and content. Proposed substitutes for Copy A that do not conform to the specifications in this revenue procedure are not acceptable. Further, if you file such forms with the IRS, you may be subject to a penalty for failure to file a correct information return under section 6721 of the Code. Generally, the penalty is \$50 for each return where such failure occurs (up to \$250,000). No IRS office is authorized to allow deviations from this revenue procedure.

**Caution:** Overuse of proportional fonts may cause you to be subject to penalties and delays in processing.

### 1.2.3 Copy B and Copy C Specifications

Copies B and Copies C of the following forms must contain the information in *Part 4* to be considered a “statement” or “official form” under the applicable provisions of the Code. The format of this information is at the discretion of the filer with the exception of the location of the tax year, form number, form name, and the information for composite Form 1099 statements as outlined under *Section 4.2*.

Copy B, of the forms below, are for the following recipients.

Form	Recipient
1098	For Payer
1098-C	For Donor
1098-E; 1099-A	For Borrower
1098-T	For Student
1099-C	For Debtor
1099-CAP	For Shareholder
1099-LTC	For Policyholder
1099-R; W-2G	Indicates that these forms may require Copy B to be attached to the federal income tax return.
1099-S	For Transferor
All other Forms 1099; 1042-S	For Recipient
5498; 5498-SA	For Participant
5498-ESA	For Beneficiary

Copy C of the following forms are:

Form	Recipient
1098-C	For Donor’s Records
1099-CAP	For Corporation
1099-LTC	For Insured
1099-R	For Recipient’s Records
All other Forms 1099	See <i>Section 4.4.2</i>
5498-ESA	For Trustee
W-2G	For Winner’s Records

**Note.** On Copy C, Form 1099-LTC, you may reverse the locations of the policyholder's and the insured's name, street address, city, state, and ZIP code for easier mailing.

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## Section 1.3 — Definitions

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### 1.3.1 Form Recipient

Form recipient means the person to whom you are required by law to furnish a copy of the official form or information statement. The form recipient may be referred to by different names on various Forms 1099 and related forms (“payer,” “borrower,” “student,” “debtor,” “policyholder,” “insured,” “transferor,” “recipient,” “participant,” “donor,” or, in the case of Form W-2G, the “winner”). See *Section 1.2.3*, earlier.

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### 1.3.2 Filer

Filer means the person or organization required by law to file a form listed in *Section 1.1.2* with the IRS. As outlined earlier, a filer may be a payer, creditor, recipient of mortgage or student loan interest payments, educational institution, broker, barter exchange, person reporting real estate transactions, trustee or issuer of any individual retirement arrangement or medical savings account, lender who acquires an interest in secured property or who has reason to know that the property has been abandoned, or certain donees of motor vehicles, boats, and airplanes.

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### 1.3.3 Substitute Form

Substitute form means a paper substitute of Copy A of an official form listed in *Section 1.1.2* that totally conforms to the provisions in this revenue procedure.

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### 1.3.4 Substitute Form Recipient Statement

Substitute form recipient statement means a paper statement of the information reported on a form listed in *Section 1.1.2*. This statement must be furnished to a person (form recipient), as defined under the applicable provisions of the Code and the applicable regulations.

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### 1.3.5 Composite Substitute Statement

Composite substitute statement means one in which two or more required statements (for example, Forms 1099-INT and 1099-DIV) are furnished to the recipient on one document. However, each statement must be designated separately and must contain all the requisite Form 1099 information except as provided under *Section 4.2*. A composite statement may not be filed with the IRS.

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## Part 2

### Specifications for Substitute Forms 1096 and Copies A of Forms 1098, 1099, and 5498 (All Filed with the IRS)

## Section 2.1 — Specifications

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### 2.1.1 General Requirements

Form identifying numbers (for example, 9191 for Form 1099-DIV) must be printed in non-reflective black carbon-based ink in print positions 15 through 19 using an OCR A font. The check boxes to the right of the form identifying numbers must be 10-point boxes. The “VOID” checkbox is in print position 25. The “CORRECTED” check box is in position 33. Measurements are from the left edge of the paper, not including the perforated strip. See *Exhibits E* and *N*.

The substitute form must be an exact replica of the official IRS form with respect to layout and content. To determine the correct form measurements, see *Exhibits A* through *Z* at the end of this publication.

Hot wax and cold carbon spots are not permitted on any of the internal form plies. These spots are permitted on the back of a mailer top envelope ply.

Use of chemical transfer paper for Copy A is acceptable.

The Government Printing Office (GPO) symbol must be deleted.

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### 2.1.2 Color and Paper Quality

Color and paper quality for Copy A (cut sheets and continuous pinfeed forms) as specified by JCP Code 0–25, dated November 29, 1978, must be white 100% bleached chemical wood, optical character recognition (OCR) bond produced in accordance with the following specifications.

**Note.** Reclaimed fiber in any percentage is permitted provided the requirements of this standard are met.

• Acidity: Ph value, average, not less than . . . . .	4.5
• Basis Weight: 17 x 22-500 cut sheets . . . . .	18-20
• Metric equivalent–g/m <sup>2</sup> . . . . .	75
A tolerance of ±5 pct. is allowed.	
• Stiffness: Average, each direction, not less than-milligrams . . . . .	50
• Tearing strength: Average, each direction, not less than-grams . . . . .	40
• Opacity: Average, not less than-percent . . . . .	82
• Thickness: Average-inch . . . . .	0.0038
• Metric equivalent-mm . . . . .	0.097
A tolerance of +0.0005 inch (0.0127 mm) is allowed. Paper cannot vary more than 0.0004 inch (0.0102 mm) from one edge to the other.	
• Porosity: Average, not less than-seconds . . . . .	10
• Finish (smoothness): Average, each side-seconds . . . . .	20-55
• For information only, the Sheffield equivalent-units . . . . .	170-100
• Dirt: Average, each side, not to exceed-parts per million . . . . .	8

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### 2.1.3 Chemical Transfer Paper

Chemical transfer paper is permitted for Copy A only if the following standards are met:

- Only chemically backed paper is acceptable for Copy A. Front and back chemically treated paper cannot be processed properly by machine.
- Carbon-coated forms are not permitted.
- Chemically transferred images must be black.

All copies must be clearly legible. Hot wax and cold carbon spots are not permitted for Copy A. Interleaved carbon should be black and must be of good quality to assure legibility on all copies and to avoid smudging. Fading must be minimized to assure legibility.

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### 2.1.4 Printing

All print on Copy A of Forms 1098, 1099, 5498, and the print on Form 1096 above the statement, “Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.” must be in Flint J–6983 red OCR dropout ink or an exact match. However, the four-digit form identifying number must be in nonreflective carbon-based black ink in OCR A font.

The shaded areas of any substitute form should generally correspond to the format of the official form.



The printing for the Form 1096 statement and the following text may be in any shade or tone of black ink. Black ink should only appear on the lower part of the reverse side of Form 1096, where it will not bleed through and interfere with scanning.

**Note.** The instructions on the front and back of Form 1096, which include filing addresses, must be printed.

Separation between fields must be 0.1 inch.

Except for Form 1099-R and 1099-MISC, the numbered captions are printed as solid with no shaded background.

Other printing requirements are discussed below.

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### 2.1.5 OCR Specifications

The contractor must initiate or have a quality control program to assure OCR ink density. Readings will be made when printed on approved 20 lb. white OCR bond with a reflectance of not less than 80%. Black ink must not have a reflectance greater than 15%. These readings are based on requirements of the “Scan-Optics Series 9000” Optical Scanner using Flint J-6983 red OCR dropout ink or an exact match.

The following testers and ranges are acceptable:

- *MacBeth PCM-II.* The tested Print Contrast Signal (PCS) values when using the MacBeth PCM-II tester on the “C” scale must range from .01 minimum to .06 maximum.
- *Kidder 082A.* The tested PCS values when using the Kidder 082A tester on the Infra Red (IR) scale must range from .12 minimum to .21 maximum. White calibration disc must be 100%. Sensitivity must be set at one (1).
- *Alternative testers.* Alternative testers must be approved by the government so that tested PCS values can be established. You may obtain approval by writing to the following address:

Commissioner of Internal Revenue  
Attn: SE:W:CAR:MP:P:B:T  
Business Publishing – Tax Products  
1111 Constitution Ave., NW  
Washington DC 20224

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### 2.1.6 Typography

Type must be substantially identical in size and shape to the official form. All rules are either 1/2-point or 3/4-point. Rules must be identical to those on the official IRS form.

**Note.** The form identifying number must be nonreflective carbon-based black ink in OCR A font.

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### 2.1.7 Dimensions

Generally, three Forms 1098, 1099, or 5498 (Copy A) are contained on a single page, 8 inches wide (without any snap-stubs and/or pinfeed holes) by 11 inches deep.

**Exceptions.** Forms 1099-B, 1099-DIV, 1099-MISC, 1099-R, and 1042-S contain two documents per page. Form 1098-C is a single page document.

There is a .33 inch top margin from the top of the corrected box, and a .25 inch right margin. There is a 1/32 (0.0313) inch tolerance for the right margin. If the right and top margins are properly aligned, the left margin for all forms will be correct. All margins must be free of print. See *Exhibits A* through *Z* in this publication for the correct form measurements.

These measurements are constant for certain Forms 1098, 1099, and 5498. These measurements are shown only once in this publication, on Form 1098 (Exhibit B). Exceptions to these measurements are shown on the rest of the exhibits.

The depth of the individual trim size of each form on a page must be  $3\frac{2}{3}$  inches, the same depth as the official form.

**Exceptions.** The depth of Forms 1099-B, 1099-DIV, 1099-MISC, 1099-R, and 1042-S is  $5\frac{1}{2}$  inches.

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### 2.1.8 Perforation

Copy A (three per page; two per page for Forms 1099-B, 1099-DIV, 1099-MISC, 1099-R, and 1042-S) of privately printed continuous substitute forms must be perforated at each 11" page depth. No perforations are allowed between the  $3\frac{2}{3}$ " forms ( $5\frac{1}{2}$ " for Forms 1099-B, 1099-DIV, 1099-MISC, or 1099-R) on a single copy page of Copy A.

The words "Do Not Cut or Separate Forms on This Page" must be printed in red dropout ink (as required by form specifications) between the three forms (two for Forms 1099-B, 1099-DIV, 1099-MISC, or 1099-R).

**Note.** Perforations are required between all the other individual copies (Copies B and C, and Copies 1 and 2 for Forms 1099-R and 1099-MISC, and Copy D for Forms 1099-LTC and 1099-R) in the set.

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### 2.1.9 What To Include

You must include the OMB Number on Copies A and Form 1096 in the same location as on the official form.

The words "For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G" must be printed on Copy A; "For more information and the Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G" must be printed on Form 1096.

A postal indicia may be used if it meets the following criteria:

- It is printed in the OCR ink color prescribed for the form, and
- No part of the indicia is within one print position of the scannable area.

The printer's symbol (GPO) must not be printed on substitute Copy A. Instead, the employer identification number (EIN) of the forms printer must be entered in the bottom margin on the face of each individual form of Copy A, or on the bottom margin on the back of each Form 1096.

The Catalog Number (Cat. No.) shown on the 2007 forms is used for IRS distribution purposes and need not be printed on any substitute forms.

The form must not contain the statement "IRS approved" or any similar statement.

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## Section 2.2 — Instructions for Preparing Paper Forms That Will Be Filed with the IRS

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### 2.2.1 Recipient Information

The form recipient's name, street address, city, state, ZIP code, and telephone number (if required) should be typed or machine printed in black ink in the same format as shown on the official IRS form. The city, state, and ZIP code must be on the same line.

The following rules apply to the form recipient's name(s):

- The name of the appropriate form recipient must be shown on the first or second name line in the area provided for the form recipient's name.
- No descriptive information or other name may precede the form recipient's name.
- Only one form recipient's name may appear on the first name line of the form.

- If the multiple recipients' names are required on the form, enter on the first name line the recipient name that corresponds to the recipient taxpayer identification number (TIN) shown on the form. Place the other form recipients' names on the second name line (only 2 name lines are allowable).

Because certain states require that trust accounts be provided in a different format, generally filers should provide information returns reflecting payments to trust accounts with the:

- Trust's employer identification number (EIN) in the recipient's TIN area,
- Trust's name on the recipient's first name line, and
- Name of the trustee on the recipient's second name line.

Although handwritten forms will be accepted, the IRS prefers that filers type or machine print data entries. Also, filers should insert data in the middle of blocks well separated from other printing and guidelines, and take measures to guarantee clear, dark black, sharp images. Carbon copies and photocopies are not acceptable.

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### 2.2.2 Account Number Box

Use the account number box on all Forms 1098, 1099, 5498, and W-2G for an account number designation when required by the official IRS form. The account number is required if you have multiple accounts for a recipient for whom you are filing more than one information return of the same type. Additionally, the IRS encourages you to include the recipients' account number on paper forms if your system of records uses the account number rather than the name or TIN for identification purposes. Also, the IRS will include the account number in future notices to you about backup withholding. If you use window envelopes and a reduced rate to mail statements to recipients, be sure the account number does not appear in the window. Otherwise, the Postal Service may not accept them for mailing.

**Exception.** Form 1098-T can have third party provider information.

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### 2.2.3 Specifications and Restrictions

Machine-printed forms should be printed using a 6 lines/inch option, and should be printed in 10 pitch pica (10 print positions per inch) or 12 pitch elite (12 print positions per inch). Proportional spaced fonts are unacceptable.

Substitute forms prepared in continuous or strip form must be burst and stripped to conform to the size specified for a single sheet before they are filed with the IRS. The size specified does not include pin feed holes. Pin feed holes must not be present on forms filed with the IRS.

Do not:

- Use a felt tip marker. The machine used to "read" paper forms generally cannot read this ink type.
- Use dollar signs (\$), ampersands (&), asterisks (\*), commas (,), or other special characters in the numbered money boxes.

**Exception.** Use decimal points to indicate dollars and cents (for example, 2000.00 is acceptable).

- Use apostrophes ('), asterisks (\*), or other special characters on the payee name line.
  - Fold Forms 1098, 1099, or 5498 mailed to the IRS. Mail these forms flat in an appropriately sized envelope or box. Folded documents cannot be readily moved through the machine used in IRS processing.
  - Staple Forms 1096 to the transmitted returns. Any staple holes near the return code number may impair the IRS's ability to machine scan the type of documents.
  - Type other information on Copy A.
  - Cut or separate the individual forms on the sheet of forms of Copy A (except Forms W-2G).
-

## 2.2.4 Where To File

Mail completed paper forms to the IRS service center shown in the Instructions for Form 1096 and in the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G. Specific information needed to complete the forms mentioned in this revenue procedure are given in the specific form instructions. A chart is included in the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G giving a quick guide to which form must be filed to report a particular payment.

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### Part 3

## Specifications for Substitute Form W-2G (Filed with the IRS)

### Section 3.1 — General

#### 3.1.1 Purpose

The following specifications give the format requirements for substitute Form W-2G (Copy A only), which is filed with the IRS.

A filer may use a substitute Form W-2G to file with the IRS (referred to as “substitute Copy A”). The substitute form must be an exact replica of the official form with respect to layout and content.

### Section 3.2 — Specifications for Copy A of Form W-2G

#### 3.2.1 Substitute Form W-2G (Copy A)

You must follow these specifications when printing substitute Copy A of the Form W-2G.

Item	Substitute Form W-2G (Copy A)
Paper Color and Quality	Paper for Copy A must be white chemical wood bond, or equivalent, 20 pound (basis 17 x 22-500), plus or minus 5 percent. The paper must consist substantially of bleached chemical wood pulp. It must be free from unbleached or ground wood pulp or post-consumer recycled paper. It also must be suitably sized to accept ink without feathering.
Ink Color and Quality	All printing must be in a high quality non gloss black ink.
Typography	The type must be substantially identical in size and shape to the official form. All rules on the document are either 1/2 point (.007 inch), 1 point (0.015 inch), or 3 point (0.045 inch). Vertical rules must be parallel to the left edge of the document, horizontal rules to the top edge.
Dimensions	The official form is 8 inches wide x 3 <sup>2</sup> / <sub>3</sub> inches deep, exclusive of a 2/3 inch snap stub on the left side of the form. Any substitute Copy A must be the same dimensions. The snap feature is not required on substitutes. All margins must be free of print. The top and right margins must be 1/4 inch plus or minus .0313. If the top and right margins are properly aligned, the left margin for all forms will be correct. If the substitute forms are in continuous or strip form, they must be burst and stripped to conform to the size specified for a single form.

Item	Substitute Form W-2G (Copy A)
Hot Wax and Cold Carbon Spots	Hot wax and cold carbon spots are not permitted on any of the internal form plies. These spots are permitted on the back of a mailer top envelope ply. Interleaved carbons, if used, should be black and of good quality to avoid smudging.
Printer's Symbol	The Government Printing Office (GPO) symbol must not be printed on substitute Forms W-2G. Instead, the employer identification number (EIN) of the form's printer must be printed in the bottom margin on the face of each individual Copy A on a sheet. The form must not contain the statement "IRS approved" or any similar statement.
Catalog Number	The Catalog Number (Cat. No.) shown on Form W-2G is used for IRS distribution purposes and need not be printed on any substitute forms.

**Part 4**  
**Substitute Statements to Form Recipients and**  
**Form Recipient Copies**

**Section 4.1 — Specifications**

**4.1.1 Introduction**

If you do not use the official IRS form to furnish statements to recipients, you must furnish an acceptable substitute statement. To be acceptable, your substitute statement must comply with the rules in this section. If you are furnishing a substitute form, see Regulations sections 1.6042-4, 1.6044-5, 1.6049-6, and 1.6050N-1 to determine how the following statements must be provided to recipients for most Forms 1099-DIV and 1099-INT, all Forms 1099-OID and 1099-PATR, and Form 1099-MISC or 1099-S for royalties. Generally, information returns may be furnished electronically with the consent of the recipient. See Section 4.5.1.

**Note.** A trustee of a grantor-type trust may choose to file Forms 1099 and furnish a statement to the grantor under Regulations sections 1.671-4(b)(2)(iii) and (b)(3)(ii). The statement required by those regulations is not subject to the requirements outlined in this section.

**4.1.2 Substitute Statements to Recipients for Certain Forms 1099-INT and 1099-DIV, and for Forms 1099-OID and 1099-PATR**

The rules in this section apply to Form 1099-INT (except for interest reportable under section 6041), 1099-DIV (except for section 404(k) dividends), 1099-OID, and 1099-PATR only. You may furnish form recipients with Copy B of the official Form 1099 or a substitute Form 1099 (form recipient statement) if it contains the same language as the official IRS form (such as aggregate amounts paid to the form recipient, any backup withholding, the name, address, and TIN of the person making the return, and any other information required by the official form). Except for state income tax withholding information, information not required by the official form should not be included on the substitute form.

You may enter a total of the individual accounts listed on the form only if they have been paid by the same payer. For example, if you are listing interest paid on several accounts by one financial institution on Form 1099-INT, you may also enter the total interest amount. You may also enter a date next to the corrected box if that box is checked.

A substitute form recipient statement for Forms 1099-INT, 1099-DIV, 1099-OID, or 1099-PATR must comply with the following requirements:

(1) Box captions and numbers that are applicable must be clearly identified, using the same wording and numbering as on the official form.

**Note.** For Form 1099-INT, if box 3 is not on your substitute form, you may drop "not included in box 3" from the box 1 caption.

(2) The form recipient statement (Copy B) must contain all applicable form recipient instructions provided on the front and back of the official IRS form. You may provide those instructions on a separate sheet of paper.

(3) The form recipient statement must contain the following in bold and conspicuous type: **This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.**

(4) The box caption “**Federal income tax withheld**” must be in boldface type on the form recipient statement.

(5) The form recipient statement must contain the Office of Management and Budget (OMB) number as shown on the official IRS form. See *Part 5*.

(6) The form recipient statement must contain the tax year (for example, 2007), form number (for example, Form 1099-INT), and form name (for example, Interest Income) of the official IRS Form 1099. This information must be displayed prominently together in one area of the statement. For example, the tax year, form number, and form name could be shown in the upper right part of the statement. Each copy must be appropriately labeled (such as Copy B, For Recipient). See *Section 4.4* for applicable labels and arrangement of assembly of forms.

**Note.** Do not include the words “Substitute for” or “In lieu of” on the form recipient statement.

(7) Layout and format of the form is at the discretion of the filer. However, the IRS encourages the use of boxes so that the statement has the appearance of a form and can be easily distinguished from other non-tax statements.

(8) Each recipient statement of Forms 1099-DIV, 1099-INT, 1099-OID, and 1099-PATR must include the direct access telephone number of an individual who can answer questions about the statement. Include that telephone number conspicuously anywhere on the recipient statement.

(9) A mutual fund family may state separately on one document (for example, one piece of paper) the dividend income earned by a recipient from each fund within the family of funds as required by Form 1099-DIV. However, each fund and its earnings must be stated separately. The form must contain an instruction to the recipient that each fund’s dividends and name, not the name of the mutual fund family, must be reported on the recipient’s tax return. The form cannot contain an aggregate total of all funds. In addition, a mutual fund family may furnish a single statement (as a single filer) for Forms 1099-INT, 1099-DIV, and 1099-OID information. Each fund and its earnings must be stated separately. The form must contain an instruction to the recipient that each fund’s earnings and name, not the name of the mutual fund family, must be reported on the recipient’s tax return. The form cannot contain an aggregate total of all funds.

#### **4.1.3 Substitute Statements to Recipients for Certain Forms 1098, 1099, 5498, and W-2G**

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Statements to form recipients for Forms 1098, 1098-C, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-CAP, 1099-G, 1099-H, 1099-LTC, 1099-MISC, 1099-Q, 1099-R, 1099-S, 1099-SA, 5498, 5498-ESA, 5498-SA, W-2G, 1099-DIV (only for section 404(k) dividends reportable under section 6047), and 1099-INT (only for interest of \$600 or more made in the course of a trade or business reportable under section 6041) can be copies of the official forms or an acceptable substitute.

**Caution.** The IRS does not require a donee to use Form 1098-C as the written acknowledgment for contributions of motor vehicles, boats, and airplanes. However, if you choose to use copies of Form 1098-C or an acceptable substitute as the written acknowledgment, then you must follow the requirements of this section 4.1.3.

To be acceptable, a substitute form recipient statement must meet the following requirements.

(1) The tax year, form number, and form name must be the same as the official form and must be displayed prominently together in one area on the statement. For example, they may be shown in the upper right part of the statement.

(2) The filer’s and the form recipient’s identifying information required on the official IRS form must be included.

(3) Each substitute recipient statement for Forms W-2G, 1098, 1098-C, 1098-E, 1098-T, 1099-A, 1099-B, 1099-CAP, 1099-DIV, 1099-G (excluding state and local income tax refunds), 1099-H, 1099-INT, 1099-LTC, 1099-MISC (excluding fishing boat proceeds), 1099-OID, 1099-PATR, 1099-Q, and 1099-S must include the direct access telephone number of an individual who can answer questions about the statement. Include the telephone number conspicuously anywhere on the recipient statement. Although not required, payers reporting on Forms 1099-C, 1099-R, 1099-SA, 5498, 5498-ESA, and 5498-SA are encouraged to furnish telephone numbers.

(4) All applicable money amounts and information, including box numbers, required to be reported to the form recipient must be titled on the form recipient statement in substantially the same manner as those on the official IRS form. The box caption "Federal income tax withheld" must be in boldface type on the form recipient statement.

**Exception.** If you are reporting a payment as "Other income" in box 3 of Form 1099-MISC, you may substitute appropriate language for the box title. For example, for payments of accrued wages and leave to a beneficiary of a deceased employee, you might change the title of box 3 to "Beneficiary payments" or something similar.

**Note.** You cannot make this change on Copy A.

**Note.** If federal income tax is withheld and shown on Form 1099-R or W-2G, Copy B and Copy C must be furnished to the recipient. If federal income tax is not withheld, only Copy C of Form 1099-R and W-2G must be furnished. However, for Form 1099-R, instructions similar to those on the back of the official Copy B and Copy C of Form 1099-R must be furnished to the recipient. For convenience, you may choose to provide both Copies B and C of Form 1099-R to the recipient.

(5) You must provide appropriate instructions to the form recipient similar to those on the official IRS form, to aid in the proper reporting on the form recipient's income tax return. For payments reported on Forms 1099-B, and 1099-CAP, the requirement to include instructions substantially similar to those on the official IRS form may be satisfied by providing form recipients with a single set of instructions for all Forms 1099-B and 1099-CAP statements required to be furnished in a calendar year.

(6) If you use carbonless sets to produce recipient statements, the quality of each copy in the set must meet the following standards:

- All copies must be clearly legible,
- All copies must be able to be photocopied, and
- Fading must not diminish legibility and the ability to photocopy.

In general, black chemical transfer inks are preferred, but other colors are permitted if the above standards are met. Hot wax and cold carbon spots are not permitted on any of the internal form plies. The back of a mailer top envelope ply may contain these spots.

(7) A mutual fund family may state separately on one document (for example, one piece of paper) the Form 1099-B information for a recipient from each fund as required by Form 1099-B. However, the gross proceeds, etc., from each transaction within a fund must be stated separately. The form must contain an instruction to the recipient that each fund's (not the mutual fund family's) name and amount must be reported on the recipient's tax return. The form cannot contain an aggregate total of all funds.

(8) You may use a Uniform Settlement Statement (under the Real Estate Settlement Procedures Act of 1974 (RESPA)) for Form 1099-S. The Uniform Settlement Statement is acceptable as the written statement to the transferor if you include the legend for Form 1099-S in *Section 4.3.2* and indicate which information on the Uniform Settlement Statement is being reported to the IRS on Form 1099-S.

(9) For reporting state income tax withholding and state payments, you may add an additional box(es) to recipient copies as appropriate.

**Note.** You cannot make this change on Copy A.

(10) On Copy C of Form 1099-LTC, you may reverse the location of the policyholder's and the insured's name, street address, city, state, and ZIP code for easier mailing.

(11) If an institution insurer uses a third party service provider to file Form 1098-T, then in addition to the institution or insurers name, address, and telephone number, the same information may be included for the third party service provider in the space provided on the form.

## Section 4.2 — Composite Statements

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### 4.2.1 Composite Substitute Statements for Certain Forms 1099-INT, 1099-DIV, 1099-MISC, and 1099-S, and for Forms 1099-OID and 1099-PATR

A composite form recipient statement is permitted for reportable payments of interest, dividends, original issue discount, patronage dividends, and royalties (Forms 1099-INT (except for interest reportable under section 6041), 1099-DIV (except for section 404(k) dividends), 1099-MISC or 1099-S (for royalties only), 1099-OID, or 1099-PATR) when one payer is reporting more than one of these payments during a calendar year to the same form recipient. Generally, do not include any other Form 1099 information (for example, 1098 or 1099-A) on a composite statement with the information required on the forms listed in the preceding sentence.

**Exception.** A filer may include Form 1099-B information on a composite form with the forms listed above.

Although the composite form recipient statement may be on one sheet, the format of the composite form recipient statement must satisfy the following requirements in addition to the requirements listed earlier in *Section 4.1.2*.

- All information pertaining to a particular type of payment must be located and blocked together on the form and separate from any information covering other types of payments included on the form. For example, if you are reporting interest and dividends, the Form 1099-INT information must be presented separately from the Form 1099-DIV information.
  - The composite form recipient statement must prominently display the tax year, form number, and form name of the official IRS form together in one area at the beginning of each appropriate block of information.
  - Any information required by the official IRS forms that would otherwise be repeated in each information block is required to be listed only once in the first information block on the composite form. For example, there is no requirement to report the name of the filer in each information block. This rule does not apply to any money amounts (for example, federal income tax withheld) or to any other information that applies to money amounts.
  - A composite statement is an acceptable substitute only if the type of payment and the recipient's tax obligation with respect to the payment are as clear as if each required statement were furnished separately on an official form.
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### 4.2.2 Composite Substitute Statements to Recipients for Forms Specified in Section 4.1.3

A composite form recipient statement for the forms specified in *Section 4.1.3* is permitted when one filer is reporting more than one type of payment during a calendar year to the same form recipient. A composite statement is not allowed for a combination of forms listed in *Section 4.1.3* and forms listed in *Section 4.1.2*.

#### Exceptions:

- Substitute payments in lieu of dividends reported in Box 8 of Form 1099-MISC may be reported on a composite substitute statement with Form 1099-DIV.
- Form 1099-B information may be reported on a composite form with the forms specified in *Section 4.1.2* as described in *Section 4.2.1*.
- Forms 1099-A and 1099-C transactions, if related, may be combined on Form 1099-C.
- Royalties reported on Form 1099-MISC or 1099-S may be reported on a composite form only with the forms specified in *Section 4.1.2*.

Although the composite form recipient statement may be on one sheet, the format of the composite form recipient statement must satisfy the requirements listed in *Section 4.2.1* as well as the requirements in *Section 4.1.3*. A composite statement of Forms 1098 and 1099-INT (for interest reportable under section 6049) is not allowed.

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## Section 4.3 — Required Legends

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### 4.3.1 Required Legends for Forms 1098

Form 1098 recipient statements (Copy B) must contain the following legends:

- Form 1098—
    - (1) “The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.”
    - (2) “**Caution.** The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.”
  - Form 1098-C:
    - Copy B — “In order to take a deduction of more than \$500 for this contribution, you must attach this copy to your federal tax return.”
    - Copy C — “This information is being furnished to the Internal Revenue Service unless box 7 is checked.”
  - Form 1098-E — “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest.”
  - Form 1098-T — “This is important tax information and is being furnished to the Internal Revenue Service.”
- 

### 4.3.2 Required Legends for Forms 1099 and W-2G

- Forms 1099-A, 1099-C, and 1099-CAP:
  - Copy B — “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.”
- Forms 1099-B, 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, and 1099-Q:
  - Copy B — “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.”
- Forms 1099-H:
  - Copy B — “This is important tax information and is being furnished to the Internal Revenue Service.”
- Form 1099-LTC:
  - Copy B — “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.”
  - Copy C — “Copy C is provided to you for information only. Only the policyholder is required to report this information on a tax return.”
- Form 1099-R:
  - Copy B — “Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.”
  - Copy C — “This information is being furnished to the Internal Revenue Service.”
- Form 1099-S:
  - Copy B — “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.”

- Form 1099-SA:
    - Copy B — “This information is being furnished to the Internal Revenue Service.”
  - Form W-2G:
    - Copy B — “This information is being furnished to the Internal Revenue Service. Report this income on your federal tax return. If this form shows federal income tax withheld in box 2, attach this copy to your return.”
    - Copy C — “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.”
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### 4.3.3 Required Legends for Forms 5498

Form 5498 recipient statements (Copy B) must contain the following legends:

- Form 5498 — “This information is being furnished to the Internal Revenue Service.”
    - Note.** If you do not furnish another statement to the participant because no contributions were made for the year, the statement of the fair market value and any required minimum distribution, of the account must contain this legend and a designation of which information is being furnished to the IRS.
  - Form 5498-ESA — “The information in boxes 1 and 2 is being furnished to the Internal Revenue Service.”
  - Form 5498-SA — “The information in boxes 1 through 6 is being furnished to the Internal Revenue Service.”
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## Section 4.4 — Miscellaneous Instructions for Copies B, C, D, 1, and 2

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### 4.4.1 Copies

Copies B, C, and in some cases, D, 1, and 2 are included in the official assembly for the convenience of the filer. You are not legally required to include all these copies with the privately printed substitute forms. Furnishing Copies B and, in some cases, C will satisfy the legal requirement to provide statements of information to form recipients.

**Note.** If an amount of federal income tax withheld is shown on Form 1099-R or W-2G, Copy B (to be attached to the tax return) and Copy C must be furnished to the recipient. Copy D (Forms 1099-R and W-2G) may be used for filer records. Only Copy A should be filed with the IRS.

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### 4.4.2 Arrangement of Assembly

Copy A (“For Internal Revenue Service Center”) of all forms must be on top. The rest of the assembly must be arranged, from top to bottom, as follows. For:

- Form 1098 — Copy B “For Payer”; Copy C “For Recipient.”
- Form 1098-C — Copy B “For Donor”; Copy C “For Donor’s Records”; Copy D “For Donee.”
- Form 1098-E — Copy B “For Borrower”; Copy C “For Recipient.”
- Form 1098-T — Copy B “For Student”; Copy C “For Filer.”
- Form 1099-A — Copy B “For Borrower”; Copy C “For Lender.”
- Forms 1099-B, 1099-DIV, 1099-G, 1099-H, 1099-INT, 1099-OID, 1099-PATR, 1099-Q, and 1099-SA — Copy B “For Recipient”; Copy C “For Payer.”
- Form 1099-C — Copy B “For Debtor”; Copy C “For Creditor.”
- Form 1099-CAP — Copy B “For Shareholder”; Copy C “For Corporation.”
- Form 1099-LTC — Copy B “For Policyholder”; Copy C “For Insured”; and Copy D “For Payer.”
- Form 1099-MISC — Copy 1 “For State Tax Department”; Copy B “For Recipient”; Copy 2 “To be filed with recipient’s state income tax return, when required”; and Copy C “For Payer.”

- Form 1099-R — Copy 1 “For State, City, or Local Tax Department”; Copy B “Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return”; Copy C “For Recipient’s Records”; Copy 2 “File this copy with your state, city, or local income tax return, when required”; Copy D “For Payer.”
  - Form 1099-S — Copy B “For Transferor”; Copy C “For Filer.”
  - Form 5498 — Copy B “For Participant”; Copy C “For Trustee or Issuer.”
  - Form 5498-ESA — Copy B “For Beneficiary”; Copy C “For Trustee.”
  - Form 5498-SA — Copy B “For Participant”; Copy C “For Trustee.”
  - Form W-2G — Copy 1 “For State Tax Department”; Copy B “Report this income on your federal tax return. If this form shows federal income tax withheld in box 2, attach this copy to your return”; Copy C “For Winner’s Records”; Copy 2 “Attach this copy to your state income tax return, if required.”; Copy D “For Payer.”
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#### 4.4.3 Perforations

Perforations are required between forms on all copies except Copy A to make separating the forms easier. (Copy A of Form W-2G may be perforated.)

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## Section 4.5 — Electronic Delivery of Form 1099 and Form 5498 Payee Statements

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### 4.5.1 Electronic Recipient Statements

If you are required to furnish a written statement (Copy B or an acceptable substitute) to a recipient, then you may furnish the statement electronically instead of on paper. This includes furnishing the statement to recipients of Forms 1098, 1098-E, 1098-T, 1099-A, B, C, CAP, DIV, H, INT, G, LTC, MISC, OID, PATR, Q, R, S, SA, 5498, 5498-ESA, and 5498-SA. It also includes Form W-2G (except for horse and dog racing, jai alai, sweepstakes, wagering pools, and lotteries).

**Note.** Until further guidance is issued, you can not furnish Form 1098-C electronically.

If you meet the requirements listed below, you are treated as furnishing the statement timely.

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### Consent

The recipient must consent in the affirmative and not have withdrawn the consent before the statement is furnished. The consent by the recipient must be made electronically in a way that shows that he or she can access the statement in the electronic format in which it will be furnished.

You must notify the recipient of any hardware or software changes prior to furnishing the statement. A new consent to receive the statement electronically is required after the new hardware or software is put into service.

Prior to furnishing the statements electronically, you must provide the recipient a statement with the following statements prominently displayed:

- If the recipient does not consent to receive the statement electronically, a paper copy will be provided.
- The scope and duration of the consent. For example, whether the consent applies to every year the statement is furnished or only for the January 31 immediately following the date of the consent.
- How to obtain a paper copy after giving consent.
- How to withdraw the consent. The consent may be withdrawn at any time by furnishing the withdrawal in writing (electronically or on paper) to the person whose name appears on the statement. Confirmation of the withdrawal also will be in writing (electronically or on paper).
- Notice of termination. The notice must state under what conditions the statements will no longer be furnished to the recipient.

- Procedures to update the recipient's information.
  - A description of the hardware and software required to access, print and retain a statement, and a date the statement will no longer be available on the website.
- 

### **Format, Posting, and Notification**

Additionally, you must:

- Ensure the electronic format contains all the required information and complies with the guidelines in this document.
- Post, on or before the January 31 due date, the applicable statement on a website accessible to the recipient through October 15 of that year.
- Inform the recipient, electronically or by mail, of the posting and how to access and print the statement.

For more information, see Regulations section 31.6051-1. For electronic furnishing of Forms 1098-E and 1098-T, see Regulations section 1.6050S-2. For electronic furnishing of Forms 1099-R, 1099-SA, 1099-Q, 5498, 5498-ESA, and 5498-SA, see Notice 2004-10, 2004-1 C.B. 433.

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## **Part 5**

### **Additional Instructions for Substitute Forms 1098, 1099, 5498, W-2G, and 1042-S**

### **Section 5.1 — Paper Substitutes for Form 1042-S**

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#### **5.1.1 Paper Substitutes**

Paper substitutes of Copy A for Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*, that totally conform to the specifications contained in this procedure may be privately printed without prior approval from the Internal Revenue Service. Proposed substitutes not conforming to these specifications must be submitted for consideration.

**Note.** Copies B, C, D, and E of Form 1042-S may contain multiple income entries for the same recipient, that is multiple rows of the top boxes 1-8 of the form.

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#### **5.1.2 Time Frame For Submission of Form 1042-S**

The request should be submitted by November 15 of the year prior to the year the form is to be used. This is to allow the Service adequate time to respond and the submitter adequate time to make any corrections. These requests should contain a copy of the proposed form, the need for the specific deviation(s), and the number of information returns to be printed.

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#### **5.1.3 Revisions**

Form 1042-S is subject to annual review and possible change. Withholding agents and form suppliers are cautioned against overstocking supplies of the privately printed substitutes.

#### **5.1.4 Obtaining Copies**

Copies of the official form for the reporting year may be obtained from most Service offices. The Service provides only cut sheets (no carbon interleaves) of these forms. Continuous fan-fold/pin-fed forms are not provided.

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#### **5.1.5 Instructions For Withholding Agents**

Instructions for withholding agents:

- Only original copies may be filed with the Service. Carbon copies and reproductions are not acceptable.
- The term "Recipient's U.S. TIN" for an individual means the social security number (SSN) or IRS individual taxpayer identification number (ITIN), consisting of nine digits separated by hyphens as follows: 000-00-0000. For all other recipients, the term means employer identification number (EIN) or qualified intermediary employer identification number (QI-EIN). The QI-EIN designation includes a withholding foreign partnership employer identification number (WP-EIN) and a withholding foreign trust employer identification

number (WT-EIN). The EIN and QI-EIN consist of nine digits separated by a hyphen as follows: 00-0000000. The taxpayer identification number (TIN) must be in one of these formats.

- Withholding agents are requested to type or machine print whenever possible, provide quality data entries on the forms (that is, use black ribbon and insert data in the middle of blocks well separated from other printing and guidelines), and take other measures to guarantee a clear, sharp image. Withholding agents are not required, however, to acquire special equipment solely for the purpose of preparing these forms.
- The “AMENDED” and “PRO-RATA BASIS REPORTING” boxes must be printed at the top center of the form under the title and checked, if applicable.
- Substitute forms prepared in continuous or strip form must be burst and stripped to conform to the size specified for a single form before they are filed with the Service. The dimensions are found below. Computer cards are acceptable provided they meet all requirements regarding layout, content, and size.

**5.1.6 Substitute Form 1042-S  
Format Requirements**

Property	Substitute Form 1042-S Format Requirements
Printing	Privately printed substitute Forms 1042-S must be exact replicas of the official forms with respect to layout and content. Only the dimensions of the substitute form may differ. The Government Printing Office (GPO) symbol must be deleted. The exact dimensions are found below.
Box Entries	Only one item of income may be represented on the copy submitted to the Service (Copy A). Multiple income items may be shown on copies provided to recipients or retained by withholding agent. All boxes appearing on the official form must be present on the substitute form, with appropriate captions.
Color and Quality of Ink	All printing must be in high quality non-gloss black ink. Bar codes should be free from picks and voids.
Typography	Type must be substantially identical in size and shape to corresponding type on the official form. All rules on the document are either 1 point (0.015”) or 3 point (0.045”). Vertical rules must be parallel to the left edge of the document; horizontal rules must be parallel to the top edge.
Carbons	Carbonized forms or “spot carbons” are not permissible. Interleaved carbons, if used, must be of good quality to preclude smudging and should be black.
Assembly	If all five parts are present, the parts of the assembly shall be arranged from top to bottom as follows: Copy A (Original) “for Internal Revenue Service,” Copies B, C, and D “for Recipient,” and Copy E “for Withholding Agent.”
Color Quality of Paper	<ul style="list-style-type: none"> <li>• Paper for Copy A must be white chemical wood bond, or equivalent, 20 pound (basis 17 x 22–500), plus or minus 5 percent; or offset book paper, 50 pound (basis 25 x 38–500). No optical brighteners may be added to the pulp or paper during manufacture. The paper must consist of principally bleach chemical wood pulp or recycled printed paper. It also must be suitably sized to accept ink without feathering.</li> <li>• Copies B, C, D (for Recipient), and E (for Withholding Agent) are provided in the official assembly solely for the convenience of the withholding agent. Withholding agents may choose the format, design, color, and quality of the paper used for these copies.</li> </ul>

Property	Substitute Form 1042-S Format Requirements
Dimensions	<ul style="list-style-type: none"> <li>• The official form is 8 inches wide x 5½ inches deep, exclusive of a ½ inch snap stub on the left side of the form. The snap feature is not required on substitutes.</li> <li>• The width of a substitute Copy A must be a minimum of 7 inches and a maximum of 8 inches, although adherence to the size of the official form is preferred. If the width of substitute Copy A is reduced from that of the official form, the width of each field on the substitute form must be reduced proportionately. The left margin must be ½ inch and free of all printing other than that shown on the official form.</li> <li>• The depth of a substitute Copy A must be a minimum of 5⅙ inches and a maximum of 5½ inches.</li> </ul>
Other Copies	Copies B, C, and D must be furnished for the convenience of payees who must send a copy of the form with other federal and state returns they file. Copy E may be used as a withholding agent's record/copy.

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## Section 5.2 — OMB Requirements for All Forms in This Revenue Procedure

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### 5.2.1 OMB Requirements

The Paperwork Reduction Act (the Act) of 1995 (Public Law 104-13) requires that:

- OMB approves all IRS tax forms that are subject to the Act. Each IRS form contains (in or near the upper right corner) the OMB approval number, if any. (The official OMB numbers may be found on the official IRS printed forms and are also shown on the forms in the exhibits in *Part 6*.)
- Each IRS form (or its instructions) states:
  - (1) Why the IRS needs the information,
  - (2) How it will be used, and
  - (3) Whether or not the information is required to be furnished to the IRS.

This information must be provided to any users of official or substitute IRS forms or instructions.

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### 5.2.2 Substitute Form Requirements

The OMB requirements for substitute IRS forms are:

- Any substitute form or substitute statement to a recipient must show the OMB number as it appears on the official IRS form.
  - For Copy A, the OMB number must appear exactly as shown on the official IRS form.
  - For any copy other than Copy A, the OMB number must use one of the following formats.
    - (1) OMB No. XXXX-XXXX (preferred) or
    - (2) OMB # XXXX-XXXX (acceptable).
- 

### 5.2.3 Required Explanation to Users

All substitute forms (Copy A only) must state “For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.” (or “For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.” for Copy A of Form 1042-S).

If no instructions are provided to users of your forms, you must furnish them with the exact text of the Privacy Act and Paperwork Reduction Act Notice.

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## Section 5.3 — Reproducible Copies of Forms

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### 5.3.1 Introduction

You can order official IRS forms and publications by calling 1-800-TAX-FORM (1-800-829-3676). Other ways to get federal tax material include:

- The Internet.
- CD.
- GPO Superintendent of Documents Bookstores.

**Note.** Several IRS forms are provided electronically on the IRS home page and on the IRS Federal Tax Forms CD, but Form 1096, Copy A of the 1098 series, 1099 series, and 5498 series cannot be used for filing with the IRS when printed from a conventional printer. These forms contain drop-out ink requirements as described in Part 2 of this publication.

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### 5.3.2 Internet

You can download tax materials from the Internet by visiting the IRS web site at [www.irs.gov](http://www.irs.gov).

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### 5.3.3 IRS Federal Tax Forms CD

The IRS also offers an alternative to downloading electronic files and provides current and prior-year access to tax forms and instructions through its *IRS Federal Tax Forms CD*. The CD, Pub. 1796, *IRS Federal Tax Products CD*, will be available for the upcoming filing season. You may buy the CD on the Internet at [www.irs.gov/cdorders](http://www.irs.gov/cdorders) or by calling 1-877-CDFORMS (1-877-233-6767).

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### 5.3.4 GPO Supt. of Documents Bookstores

The Government Printing Office (GPO) Superintendent of Documents Bookstores also sell individual copies of tax forms, instructions, and publications.

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## Section 5.4 — Effect on Other Revenue Procedures

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### 5.4.1 Other Revenue Procedures

Revenue Procedure 2007-15, 2007-3 I.R.B. 300, dated January 16, 2007, which provides rules and specifications for private printing of 2006 substitute forms and statements to recipients, is superseded.

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## Part 6 Exhibits

## Section 6.1 — Exhibits of Forms in the Revenue Procedure

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### 6.1.1 Purpose

Exhibits A through Z illustrate some of the specifications that were discussed earlier in this revenue procedure. The dimensions apply to the actual size forms, but the exhibits have been reduced in size.

Generally, the illustrated dimensions apply to all like forms. For example, Exhibit B shows 11.00" from the top edge to the bottom edge of Form 1098 and .85" between the bottom rule of the top form and the top rule of the second form on the page. These dimensions apply to all forms that are printed three to a page.

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### **6.1.2 Guidelines**

Keep in mind the following guidelines when printing substitute forms.

- Closely follow the specifications to avoid delays in processing the forms.
  - Always use the specifications as outlined in this revenue procedure and illustrated in the exhibits.
  - Do not add the text line “Do Not Cut or Separate Forms on This Page” to the bottom form. This will cause inconsistency with the specifications.
-





# Exhibit B

8181 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0901	<b>2007</b> Form 1098	<b>Mortgage Interest Statement</b>
RECIPIENT'S/LENDER'S name, address, and telephone number				
RECIPIENT'S federal identification no.	PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s)	\$	<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
PAYER'S/BORROWER'S name		2 Points paid on purchase of principal residence	\$	
Street address (including apt. no.)		3 Refund of overpaid interest	\$	
City, state, and ZIP code		4 Mortgage insurance premiums	\$ 2.83	
Account number (see instructions)		5	\$	
Form 1098		Cat. No. 14402K	Department of the Treasury - Internal Revenue Service	
<b>Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page</b>				
8181 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0901	<b>2007</b> Form 1098	<b>Mortgage Interest Statement</b>
RECIPIENT'S/LENDER'S name, address, and telephone number				
RECIPIENT'S federal identification no.	PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s)	\$	<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
PAYER'S/BORROWER'S name		2 Points paid on purchase of principal residence	\$	
Street address (including apt. no.)		3 Refund of overpaid interest	\$	
City, state, and ZIP code		4 Mortgage insurance premiums	\$	
Account number (see instructions)		5	\$	
Form 1098		Cat. No. 14402K	Department of the Treasury - Internal Revenue Service	
<b>Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page</b>				
8181 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0901	<b>2007</b> Form 1098	<b>Mortgage Interest Statement</b>
RECIPIENT'S/LENDER'S name, address, and telephone number				
RECIPIENT'S federal identification no.	PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s)	\$	<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
PAYER'S/BORROWER'S name		2 Points paid on purchase of principal residence	\$	
Street address (including apt. no.)		3 Refund of overpaid interest	\$	
City, state, and ZIP code		4 Mortgage insurance premiums	\$	
Account number (see instructions)		5	\$	
Form 1098		Cat. No. 14402K	Department of the Treasury - Internal Revenue Service	



# Exhibit D

8484       VOID       CORRECTED

RECIPIENT'S/LENDER'S name, address, and telephone number		OMB No. 1545-1576 <b>2007</b> Form 1098-E	<b>Student Loan Interest Statement</b>
RECIPIENT'S federal identification no.	BORROWER'S social security number	1 Student loan interest received by lender \$ <span style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></span>	
BORROWER'S name		<b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>	
Street address (including apt. no.)			
City, state, and ZIP code			
Account number (see instructions)			
		2 Check if box 1 includes loan origination fees and/or capitalized interest . . . . . <input type="checkbox"/>	

Form **1098-E**      Cat. No. 25088U      Department of the Treasury - Internal Revenue Service  
**Do Not Cut or Separate Forms on This Page**      —      **Do Not Cut or Separate Forms on This Page**

8484       VOID       CORRECTED

RECIPIENT'S/LENDER'S name, address, and telephone number		OMB No. 1545-1576 <b>2007</b> Form 1098-E	<b>Student Loan Interest Statement</b>
RECIPIENT'S federal identification no.	BORROWER'S social security number	1 Student loan interest received by lender \$	
BORROWER'S name		<b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>	
Street address (including apt. no.)			
City, state, and ZIP code			
Account number (see instructions)			
		2 Check if box 1 includes loan origination fees and/or capitalized interest . . . . . <input type="checkbox"/>	

Form **1098-E**      Cat. No. 25088U      Department of the Treasury - Internal Revenue Service  
**Do Not Cut or Separate Forms on This Page**      —      **Do Not Cut or Separate Forms on This Page**

8484       VOID       CORRECTED

RECIPIENT'S/LENDER'S name, address, and telephone number		OMB No. 1545-1576 <b>2007</b> Form 1098-E	<b>Student Loan Interest Statement</b>
RECIPIENT'S federal identification no.	BORROWER'S social security number	1 Student loan interest received by lender \$	
BORROWER'S name		<b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>	
Street address (including apt. no.)			
City, state, and ZIP code			
Account number (see instructions)			
		2 Check if box 1 includes loan origination fees and/or capitalized interest . . . . . <input type="checkbox"/>	

Form **1098-E**      Cat. No. 25088U      Department of the Treasury - Internal Revenue Service

# Exhibit E

8383 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED    6.25"		.33"		
FILER'S name, street address, city, state, ZIP code, and telephone number		1 Payments received for qualified tuition and related expenses \$	OMB No. 1545-1574  <b>2007</b>  Form 1098-T	<b>Tuition Statement</b>
FILER'S federal identification no.	STUDENT'S social security number	2 Amounts billed for qualified tuition and related expenses \$	3 Check if you have changed your reporting method for 2007 <input type="checkbox"/>	<b>Copy A For Internal Revenue Service Center File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
STUDENT'S name		4 Adjustments made for a prior year \$	5 Scholarships or grants \$	
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year \$	7 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2008 <input type="checkbox"/>	
City, state, and ZIP code		8 Check if at least half-time student <input type="checkbox"/>	9 Check if a graduate student . . . <input type="checkbox"/>	
Service Provider/Acct. No. (see instr.)	10 Ins. contract reimb./refund \$			
Form <b>1098-T</b>		Cat. No. 25087J		Department of the Treasury - Internal Revenue Service
<b>Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page</b>				
8383 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				
FILER'S name, street address, city, state, ZIP code, and telephone number		1 Payments received for qualified tuition and related expenses \$	OMB No. 1545-1574  <b>2007</b>  Form 1098-T	<b>Tuition Statement</b>
FILER'S federal identification no.	STUDENT'S social security number	2 Amounts billed for qualified tuition and related expenses \$	3 Check if you have changed your reporting method for 2007 <input type="checkbox"/>	<b>Copy A For Internal Revenue Service Center File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
STUDENT'S name		4 Adjustments made for a prior year \$	5 Scholarships or grants \$	
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year \$	7 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2008 <input type="checkbox"/>	
City, state, and ZIP code		8 Check if at least half-time student <input type="checkbox"/>	9 Check if a graduate student . . . <input type="checkbox"/>	
Service Provider/Acct. No. (see instr.)	10 Ins. contract reimb./refund \$			
Form <b>1098-T</b>		Cat. No. 25087J		Department of the Treasury - Internal Revenue Service
<b>Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page</b>				
8383 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				
FILER'S name, street address, city, state, ZIP code, and telephone number		1 Payments received for qualified tuition and related expenses \$	OMB No. 1545-1574  <b>2007</b>  Form 1098-T	<b>Tuition Statement</b>
FILER'S federal identification no.	STUDENT'S social security number	2 Amounts billed for qualified tuition and related expenses \$	3 Check if you have changed your reporting method for 2007 <input type="checkbox"/>	<b>Copy A For Internal Revenue Service Center File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
STUDENT'S name		4 Adjustments made for a prior year \$	5 Scholarships or grants \$	
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year \$	7 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2008 <input type="checkbox"/>	
City, state, and ZIP code		8 Check if at least half-time student <input type="checkbox"/>	9 Check if a graduate student . . . <input type="checkbox"/>	
Service Provider/Acct. No. (see instr.)	10 Ins. contract reimb./refund \$			
Form <b>1098-T</b>		Cat. No. 25087J		Department of the Treasury - Internal Revenue Service



# Exhibit G

7979     VOID     CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Date of sale or exchange	OMB No. 1545-0715	
		1b CUSIP no.	<b>2007</b>	
		Form <b>1099-B</b>		
		2 Stocks, bonds, etc.	Reported to IRS	<input type="checkbox"/> Gross proceeds = 1.90* <input type="checkbox"/> Gross proceeds less commissions and option premiums
		\$		
PAYER'S federal identification number	RECIPIENT'S identification number	3 Bartering	4 Federal income tax withheld	<b>Copy A</b> For <b>Internal Revenue Service Center</b> File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
		\$	\$ 3.90*	
RECIPIENT'S name		5 No. of shares exchanged	6 Classes of stock exchanged	
		1.40*	1.40*	
Street address (including apt. no.)		7 Description		
City, state, and ZIP code		8 Profit or (loss) realized in 2007	9 Unrealized profit or (loss) on open contracts—12/31/2006	
		\$	\$	
CORPORATION'S name		10 Unrealized profit or (loss) on open contracts—12/31/2007	11 Aggregate profit or (loss)	
		\$	\$	
Account number (see instructions)	2nd TIN not.	12 Check the box if recipient cannot take a loss on their tax return based on the amount in box 2 . . . . . <input type="checkbox"/>		
2.80*	<input type="checkbox"/>	4.15*		

Form **1099-B**    .60\* Cat. No. 14411V    Department of the Treasury - Internal Revenue Service

7979     VOID     CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Date of sale or exchange	OMB No. 1545-0715	
		1b CUSIP no.	<b>2007</b>	
		Form <b>1099-B</b>		
		2 Stocks, bonds, etc.	Reported to IRS	<input type="checkbox"/> Gross proceeds <input type="checkbox"/> Gross proceeds less commissions and option premiums
		\$		
PAYER'S federal identification number	RECIPIENT'S identification number	3 Bartering	4 Federal income tax withheld	<b>Copy A</b> For <b>Internal Revenue Service Center</b> File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
		\$	\$	
RECIPIENT'S name		5 No. of shares exchanged	6 Classes of stock exchanged	
Street address (including apt. no.)		7 Description		
City, state, and ZIP code		8 Profit or (loss) realized in 2007	9 Unrealized profit or (loss) on open contracts—12/31/2006	
		\$	\$	
CORPORATION'S name		10 Unrealized profit or (loss) on open contracts—12/31/2007	11 Aggregate profit or (loss)	
		\$	\$	
Account number (see instructions)	2nd TIN not.	12 Check the box if recipient cannot take a loss on their tax return based on the amount in box 2 . . . . . <input type="checkbox"/>		
	<input type="checkbox"/>			

Form **1099-B**    Cat. No. 14411V    Department of the Treasury - Internal Revenue Service

# Exhibit H

8585  VOID  CORRECTED

CREDITOR'S name, street address, city, state, and ZIP code		OMB No. 1545-1424		<b>Cancellation of Debt</b>  <b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
		<b>2007</b> Form 1099-C		
CREDITOR'S federal identification number	DEBTOR'S identification number	1 Date canceled	2 Amount of debt canceled	
DEBTOR'S name		3 Interest if included in box 2	4	
Street address (including apt. no.)		5 Debt description		
City, state, and ZIP code		6 Check for bankruptcy <input type="checkbox"/>		
Account number (see instructions)		7 Fair market value of property		
		\$		

Form 1099-C Cat. No. 26280W Department of the Treasury - Internal Revenue Service  
**Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page**

8585  VOID  CORRECTED

CREDITOR'S name, street address, city, state, and ZIP code		OMB No. 1545-1424		<b>Cancellation of Debt</b>  <b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
		<b>2007</b> Form 1099-C		
CREDITOR'S federal identification number	DEBTOR'S identification number	1 Date canceled	2 Amount of debt canceled	
DEBTOR'S name		3 Interest if included in box 2	4	
Street address (including apt. no.)		5 Debt description		
City, state, and ZIP code		6 Check for bankruptcy <input type="checkbox"/>		
Account number (see instructions)		7 Fair market value of property		
		\$		

Form 1099-C Cat. No. 26280W Department of the Treasury - Internal Revenue Service  
**Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page**

8585  VOID  CORRECTED

CREDITOR'S name, street address, city, state, and ZIP code		OMB No. 1545-1424		<b>Cancellation of Debt</b>  <b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
		<b>2007</b> Form 1099-C		
CREDITOR'S federal identification number	DEBTOR'S identification number	1 Date canceled	2 Amount of debt canceled	
DEBTOR'S name		3 Interest if included in box 2	4	
Street address (including apt. no.)		5 Debt description		
City, state, and ZIP code		6 Check for bankruptcy <input type="checkbox"/>		
Account number (see instructions)		7 Fair market value of property		
		\$		

Form 1099-C Cat. No. 26280W Department of the Treasury - Internal Revenue Service



# Exhibit I

7373     VOID     CORRECTED

CORPORATION'S name, street address, city, state, ZIP code, and telephone no.		1 Date of sale or exchange	OMB No. 1545-1814 <b>2007</b> Form 1099-CAP	<b>Changes in Corporate Control and Capital Structure</b>
		2 Aggregate amount received \$		
		1.40"		
		3 No. of shares exchanged	4 Classes of stock exchanged	1.35"
CORPORATION'S federal identification no.    SHAREHOLDER'S identification no.				<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
SHAREHOLDER'S name				
Street address (including apt. no.)				
City, state, and ZIP code				
Account number (see instructions)				
		5		
		6 Check the box if this shareholder cannot claim a loss based on the amount in box 2 . . . . . <input type="checkbox"/>		

Form 1099-CAP    Cat. No. 35115M    Department of the Treasury - Internal Revenue Service  
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7373     VOID     CORRECTED

CORPORATION'S name, street address, city, state, ZIP code, and telephone no.		1 Date of sale or exchange	OMB No. 1545-1814 <b>2007</b> Form 1099-CAP	<b>Changes in Corporate Control and Capital Structure</b>
		2 Aggregate amount received \$		
		3 No. of shares exchanged	4 Classes of stock exchanged	
CORPORATION'S federal identification no.    SHAREHOLDER'S identification no.				<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
SHAREHOLDER'S name				
Street address (including apt. no.)				
City, state, and ZIP code				
Account number (see instructions)				
		5		
		6 Check the box if this shareholder cannot claim a loss based on the amount in box 2 . . . . . <input type="checkbox"/>		

Form 1099-CAP    Cat. No. 35115M    Department of the Treasury - Internal Revenue Service  
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7373     VOID     CORRECTED

CORPORATION'S name, street address, city, state, ZIP code, and telephone no.		1 Date of sale or exchange	OMB No. 1545-1814 <b>2007</b> Form 1099-CAP	<b>Changes in Corporate Control and Capital Structure</b>
		2 Aggregate amount received \$		
		3 No. of shares exchanged	4 Classes of stock exchanged	
CORPORATION'S federal identification no.    SHAREHOLDER'S identification no.				<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
SHAREHOLDER'S name				
Street address (including apt. no.)				
City, state, and ZIP code				
Account number (see instructions)				
		5		
		6 Check the box if this shareholder cannot claim a loss based on the amount in box 2 . . . . . <input type="checkbox"/>		

Form 1099-CAP    Cat. No. 35115M    Department of the Treasury - Internal Revenue Service

# Exhibit J

9191  VOID  CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		<b>1a</b> Total ordinary dividends	OMB No. 1545-0110	<b>2007</b>	<b>Dividends and Distributions</b>
		\$			
		<b>1b</b> Qualified dividends			
		← 1.40" →			
		\$	Form <b>1099-DIV</b>		
		<b>2a</b> Total capital gain distr.	<b>2b</b> Unrecap. Sec. 1250 gain		<b>Copy A</b> For Internal Revenue Service Center
		\$	\$		
PAYER'S federal identification number	RECIPIENT'S identification number				<b>File with Form 1096.</b>
RECIPIENT'S name		<b>2c</b> Section 1202 gain	<b>2d</b> Collectibles (28%) gain	<b>For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>	
		\$	\$		
Street address (including apt. no.)		<b>3</b> Nondividend distributions	<b>4</b> Federal income tax withheld		
		\$	\$		
City, state, and ZIP code		<b>5</b> Investment expenses	<b>6</b> Foreign tax paid	<b>7</b> Foreign country or U.S. possession	
		\$	\$	\$	
Account number (see instructions)		<b>8</b> Cash liquidation distributions	<b>9</b> Noncash liquidation distributions		
		\$	\$		
		← 2.80" →	← 4.50" →		
		<input type="checkbox"/>			

Form **1099-DIV** Cat. No. 14415N Department of the Treasury - Internal Revenue Service

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9191  VOID  CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		<b>1a</b> Total ordinary dividends	OMB No. 1545-0110	<b>2007</b>	<b>Dividends and Distributions</b>
		\$			
		<b>1b</b> Qualified dividends			
		\$	Form <b>1099-DIV</b>		
		<b>2a</b> Total capital gain distr.	<b>2b</b> Unrecap. Sec. 1250 gain		<b>Copy A</b> For Internal Revenue Service Center
		\$	\$		
PAYER'S federal identification number	RECIPIENT'S identification number				<b>File with Form 1096.</b>
RECIPIENT'S name		<b>2c</b> Section 1202 gain	<b>2d</b> Collectibles (28%) gain	<b>For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>	
		\$	\$		
Street address (including apt. no.)		<b>3</b> Nondividend distributions	<b>4</b> Federal income tax withheld		
		\$	\$		
City, state, and ZIP code		<b>5</b> Investment expenses	<b>6</b> Foreign tax paid	<b>7</b> Foreign country or U.S. possession	
		\$	\$	\$	
Account number (see instructions)		<b>8</b> Cash liquidation distributions	<b>9</b> Noncash liquidation distributions		
		\$	\$		
		<input type="checkbox"/>			

Form **1099-DIV** Cat. No. 14415N Department of the Treasury - Internal Revenue Service



# Exhibit L

7171  VOID  CORRECTED

ISSUER'S/PROVIDER'S name, street address, city, state, ZIP code, and telephone no.		1 Amount of HCTC advance payments	OMB No. 1545-1813	<b>2007</b>	<b>Health Coverage Tax Credit (HCTC) Advance Payments</b>
		\$			
		2 No. of mos. HCTC advance payments received	Form <b>1099-H</b>		
ISSUER'S/PROVIDER'S federal identification no.	RECIPIENT'S identification number	3 Jan.	9 July	<b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>	
		\$	\$		
RECIPIENT'S name		4 Feb.	10 Aug.		
		\$	\$		
		5 Mar.	11 Sept.		
		\$	\$		
Street address (including apt. no.)		6 Apr.	12 Oct.		
		\$	\$		
City, state, and ZIP code		7 May	13 Nov.		
		\$	\$		
		8 June	14 Dec.		
		\$	\$		

Form **1099-H**      Cat. No. 34912D      Department of the Treasury - Internal Revenue Service

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7171  VOID  CORRECTED

ISSUER'S/PROVIDER'S name, street address, city, state, ZIP code, and telephone no.		1 Amount of HCTC advance payments	OMB No. 1545-1813	<b>2007</b>	<b>Health Coverage Tax Credit (HCTC) Advance Payments</b>
		\$			
		2 No. of mos. HCTC advance payments received	Form <b>1099-H</b>		
ISSUER'S/PROVIDER'S federal identification no.	RECIPIENT'S identification number	3 Jan.	9 July	<b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>	
		\$	\$		
RECIPIENT'S name		4 Feb.	10 Aug.		
		\$	\$		
		5 Mar.	11 Sept.		
		\$	\$		
Street address (including apt. no.)		6 Apr.	12 Oct.		
		\$	\$		
City, state, and ZIP code		7 May	13 Nov.		
		\$	\$		
		8 June	14 Dec.		
		\$	\$		

Form **1099-H**      Cat. No. 34912D      Department of the Treasury - Internal Revenue Service

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7171  VOID  CORRECTED

ISSUER'S/PROVIDER'S name, street address, city, state, ZIP code, and telephone no.		1 Amount of HCTC advance payments	OMB No. 1545-1813	<b>2007</b>	<b>Health Coverage Tax Credit (HCTC) Advance Payments</b>
		\$			
		2 No. of mos. HCTC advance payments received	Form <b>1099-H</b>		
ISSUER'S/PROVIDER'S federal identification no.	RECIPIENT'S identification number	3 Jan.	9 July	<b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>	
		\$	\$		
RECIPIENT'S name		4 Feb.	10 Aug.		
		\$	\$		
		5 Mar.	11 Sept.		
		\$	\$		
Street address (including apt. no.)		6 Apr.	12 Oct.		
		\$	\$		
City, state, and ZIP code		7 May	13 Nov.		
		\$	\$		
		8 June	14 Dec.		
		\$	\$		

Form **1099-H**      Cat. No. 34912D      Department of the Treasury - Internal Revenue Service

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# Exhibit M

9292     VOID     CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)		OMB No. 1545-0112  <div style="font-size: 2em; font-weight: bold; text-align: center;">2007</div> Interest Income  Form 1099-INT			
		1 Interest income \$					
		2 Early withdrawal penalty \$					
PAYER'S federal identification number	RECIPIENT'S identification number	3 Interest on U.S. Savings Bonds and Treas. obligations \$		<b>Copy A</b> For <b>Internal Revenue Service Center</b> File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>			
RECIPIENT'S name		4 Federal income tax withheld \$				5 Investment expenses \$	
Street address (including apt. no.)		6 Foreign tax paid \$				7 Foreign country or U.S. possession	
City, state, and ZIP code		8 Tax-exempt interest \$				9 Specified private activity bond interest \$	
Account number (see instructions)		2nd TIN not. <input type="checkbox"/>					

Form 1099-INT    .60"    Cat. No. 14410K    Department of the Treasury - Internal Revenue Service

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9292     VOID     CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)		OMB No. 1545-0112  <div style="font-size: 2em; font-weight: bold; text-align: center;">2007</div> Interest Income  Form 1099-INT			
		1 Interest income \$					
		2 Early withdrawal penalty \$					
PAYER'S federal identification number	RECIPIENT'S identification number	3 Interest on U.S. Savings Bonds and Treas. obligations \$		<b>Copy A</b> For <b>Internal Revenue Service Center</b> File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>			
RECIPIENT'S name		4 Federal income tax withheld \$				5 Investment expenses \$	
Street address (including apt. no.)		6 Foreign tax paid \$				7 Foreign country or U.S. possession	
City, state, and ZIP code		8 Tax-exempt interest \$				9 Specified private activity bond interest \$	
Account number (see instructions)		2nd TIN not. <input type="checkbox"/>					

Form 1099-INT    Cat. No. 14410K    Department of the Treasury - Internal Revenue Service

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9292     VOID     CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)		OMB No. 1545-0112  <div style="font-size: 2em; font-weight: bold; text-align: center;">2007</div> Interest Income  Form 1099-INT			
		1 Interest income \$					
		2 Early withdrawal penalty \$					
PAYER'S federal identification number	RECIPIENT'S identification number	3 Interest on U.S. Savings Bonds and Treas. obligations \$		<b>Copy A</b> For <b>Internal Revenue Service Center</b> File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>			
RECIPIENT'S name		4 Federal income tax withheld \$				5 Investment expenses \$	
Street address (including apt. no.)		6 Foreign tax paid \$				7 Foreign country or U.S. possession	
City, state, and ZIP code		8 Tax-exempt interest \$				9 Specified private activity bond interest \$	
Account number (see instructions)		2nd TIN not. <input type="checkbox"/>					

Form 1099-INT    Cat. No. 14410K    Department of the Treasury - Internal Revenue Service

# Exhibit N

9393 ←  VOID  CORRECTED → 4.50"

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Gross long-term care benefits paid	OMB No. 1545-1519 <b>2007</b> Form <b>1099-LTC</b>	<b>Long-Term Care and Accelerated Death Benefits</b>
		\$		
		2 Accelerated death benefits paid		
		\$		
PAYER'S federal identification number	POLICYHOLDER'S identification number	3 Check one: <input type="checkbox"/> Per diem <input type="checkbox"/> Reimbursed amount		INSURED'S social security no. ← 1.40" →
POLICYHOLDER'S name ← 3.40" →		INSURED'S name		<b>Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
Street address (including apt. no.)		Street address (including apt. no.) ← 2.80" →		
City, state, and ZIP code		City, state, and ZIP code		
Account number (see instructions)	4 Qualified contract <input type="checkbox"/> (optional)	5 Check, if applicable: (optional) <input type="checkbox"/> Chronically ill <input type="checkbox"/> Terminally ill		
		Date certified		

Form **1099-LTC**      Cat. No. 23021Z      Department of the Treasury - Internal Revenue Service

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9393     VOID     CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Gross long-term care benefits paid	OMB No. 1545-1519 <b>2007</b> Form <b>1099-LTC</b>	<b>Long-Term Care and Accelerated Death Benefits</b>
		\$		
		2 Accelerated death benefits paid		
		\$		
PAYER'S federal identification number	POLICYHOLDER'S identification number	3 Check one: <input type="checkbox"/> Per diem <input type="checkbox"/> Reimbursed amount		INSURED'S social security no.
POLICYHOLDER'S name		INSURED'S name		<b>Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
Street address (including apt. no.)		Street address (including apt. no.)		
City, state, and ZIP code		City, state, and ZIP code		
Account number (see instructions)	4 Qualified contract <input type="checkbox"/> (optional)	5 Check, if applicable: (optional) <input type="checkbox"/> Chronically ill <input type="checkbox"/> Terminally ill		
		Date certified		

Form **1099-LTC**      Cat. No. 23021Z      Department of the Treasury - Internal Revenue Service

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9393     VOID     CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Gross long-term care benefits paid	OMB No. 1545-1519 <b>2007</b> Form <b>1099-LTC</b>	<b>Long-Term Care and Accelerated Death Benefits</b>
		\$		
		2 Accelerated death benefits paid		
		\$		
PAYER'S federal identification number	POLICYHOLDER'S identification number	3 Check one: <input type="checkbox"/> Per diem <input type="checkbox"/> Reimbursed amount		INSURED'S social security no.
POLICYHOLDER'S name		INSURED'S name		<b>Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
Street address (including apt. no.)		Street address (including apt. no.)		
City, state, and ZIP code		City, state, and ZIP code		
Account number (see instructions)	4 Qualified contract <input type="checkbox"/> (optional)	5 Check, if applicable: (optional) <input type="checkbox"/> Chronically ill <input type="checkbox"/> Terminally ill		
		Date certified		

Form **1099-LTC**      Cat. No. 23021Z      Department of the Treasury - Internal Revenue Service

# Exhibit O

9595 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		.3125		.50"	
PAYER'S name, street address, city, state, ZIP code, and telephone no.				OMB No. 1545-0115	
4.50"				1 Rents	
				2 Royalties	
				3 Other income	
1.40"				2007	
Form 1099-MISC				Miscellaneous Income	
5.50"				4 Federal income tax withheld	
				5 Fishing boat proceeds	
PAYER'S federal identification number		RECIPIENT'S identification number		6 Medical and health care payments	
3.40"				7 Nonemployee compensation	
				8 Substitute payments in lieu of dividends or interest	
RECIPIENT'S name				Copy A For Internal Revenue Service Center  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General                  Instructions for                  Forms 1099,                  1098, 5498,                  and W-2G.</b>	
Street address (including apt. no.)					
City, state, and ZIP code					
Account number (see instructions)		2nd TIN not. <input type="checkbox"/>			
15a Section 409A deferrals		15b Section 409A income		16 State tax withheld	
\$		\$		\$	
Form 1099-MISC				Cat. No. 14425J	
Do Not Cut or Separate Forms on This Page				Do Not Cut or Separate Forms on This Page	
9595 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		.3125		.50"	
PAYER'S name, street address, city, state, ZIP code, and telephone no.				OMB No. 1545-0115	
1.00"				1 Rents	
				2 Royalties	
				3 Other income	
1.40"				2007	
Form 1099-MISC				Miscellaneous Income	
.45"				4 Federal income tax withheld	
				5 Fishing boat proceeds	
PAYER'S federal identification number		RECIPIENT'S identification number		6 Medical and health care payments	
3.40"				7 Nonemployee compensation	
				8 Substitute payments in lieu of dividends or interest	
RECIPIENT'S name				Copy A For Internal Revenue Service Center  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General                  Instructions for                  Forms 1099,                  1098, 5498,                  and W-2G.</b>	
Street address (including apt. no.)					
City, state, and ZIP code					
Account number (see instructions)		2nd TIN not. <input type="checkbox"/>			
15a Section 409A deferrals		15b Section 409A income		16 State tax withheld	
\$		\$		\$	
Form 1099-MISC				Cat. No. 14425J	
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# Exhibit P

9696 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				OMB No. 1545-0117  <div style="font-size: 2em; font-weight: bold; text-align: center;">2007</div> Form 1099-OID	<b>Original Issue Discount</b>
PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Original issue discount for 2007 \$ <span style="margin-left: 20px;">← 1.40* →</span>			<b>Copy A</b> For <b>Internal Revenue Service Center</b> File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
PAYER'S federal identification number	RECIPIENT'S identification number	2 Other periodic interest \$	3 Early withdrawal penalty \$	4 Federal income tax withheld \$	
RECIPIENT'S name		5 Description			
Street address (including apt. no.)		6 Original issue discount on U.S. Treasury obligations \$			
City, state, and ZIP code		7 Investment expenses \$			
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	4.15*			
← 2.80* →					
Form 1099-OID		Cat. No. 14421R		Department of the Treasury - Internal Revenue Service	
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9696 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				OMB No. 1545-0117  <div style="font-size: 2em; font-weight: bold; text-align: center;">2007</div> Form 1099-OID	<b>Original Issue Discount</b>
PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Original issue discount for 2007 \$			<b>Copy A</b> For <b>Internal Revenue Service Center</b> File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
PAYER'S federal identification number	RECIPIENT'S identification number	2 Other periodic interest \$	3 Early withdrawal penalty \$	4 Federal income tax withheld \$	
RECIPIENT'S name		5 Description			
Street address (including apt. no.)		6 Original issue discount on U.S. Treasury obligations \$			
City, state, and ZIP code		7 Investment expenses \$			
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>				
Form 1099-OID		Cat. No. 14421R		Department of the Treasury - Internal Revenue Service	
<b>Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page</b>					
9696 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				OMB No. 1545-0117  <div style="font-size: 2em; font-weight: bold; text-align: center;">2007</div> Form 1099-OID	<b>Original Issue Discount</b>
PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Original issue discount for 2007 \$			<b>Copy A</b> For <b>Internal Revenue Service Center</b> File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the <b>2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
PAYER'S federal identification number	RECIPIENT'S identification number	2 Other periodic interest \$	3 Early withdrawal penalty \$	4 Federal income tax withheld \$	
RECIPIENT'S name		5 Description			
Street address (including apt. no.)		6 Original issue discount on U.S. Treasury obligations \$			
City, state, and ZIP code		7 Investment expenses \$			
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>				
Form 1099-OID		Cat. No. 14421R		Department of the Treasury - Internal Revenue Service	



# Exhibit Q

9797 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Patronage dividends \$ 1.40*	OMB No. 1545-0118	<b>2007</b> Form 1099-PATR	<b>Taxable Distributions Received From Cooperatives</b>
				2 Nonpatronage distributions \$			
				3 Per-unit retain allocations \$			
PAYER'S federal identification number	RECIPIENT'S identification number			4 Federal income tax withheld \$			<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name				5 Redemption of nonqualified notices and retain allocations \$	6 Domestic production activities deduction \$		
Street address (including apt. no.)				7 Investment credit \$			
City, state, and ZIP code				8 Work opportunity credit \$	9 Patron's AMT adjustment \$		
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>			10 Other credits and deductions \$ 4.15*			

Form 1099-PATR Cat. No. 14435F Department of the Treasury - Internal Revenue Service  
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9797 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Patronage dividends \$	OMB No. 1545-0118	<b>2007</b> Form 1099-PATR	<b>Taxable Distributions Received From Cooperatives</b>
				2 Nonpatronage distributions \$			
				3 Per-unit retain allocations \$			
PAYER'S federal identification number	RECIPIENT'S identification number			4 Federal income tax withheld \$			<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name				5 Redemption of nonqualified notices and retain allocations \$	6 Domestic production activities deduction \$		
Street address (including apt. no.)				7 Investment credit \$			
City, state, and ZIP code				8 Work opportunity credit \$	9 Patron's AMT adjustment \$		
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>			10 Other credits and deductions \$			

Form 1099-PATR Cat. No. 14435F Department of the Treasury - Internal Revenue Service  
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9797 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Patronage dividends \$	OMB No. 1545-0118	<b>2007</b> Form 1099-PATR	<b>Taxable Distributions Received From Cooperatives</b>
				2 Nonpatronage distributions \$			
				3 Per-unit retain allocations \$			
PAYER'S federal identification number	RECIPIENT'S identification number			4 Federal income tax withheld \$			<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name				5 Redemption of nonqualified notices and retain allocations \$	6 Domestic production activities deduction \$		
Street address (including apt. no.)				7 Investment credit \$			
City, state, and ZIP code				8 Work opportunity credit \$	9 Patron's AMT adjustment \$		
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>			10 Other credits and deductions \$			

Form 1099-PATR Cat. No. 14435F Department of the Treasury - Internal Revenue Service

# Exhibit R

3131 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		← 4.5" →	
PAYER'S/TRUSTEE'S name, street address, city, state, ZIP code, and telephone number  2.83"		1 Gross distribution \$	OMB No. 1545-1760  <b>2007</b>  Form 1099-Q
		2 Earnings \$	
PAYER'S/TRUSTEE'S federal identification no.	RECIPIENT'S social security number	3 Basis \$	4 Trustee-to-trustee transfer ← 1.4" → <input type="checkbox"/>
RECIPIENT'S name		5 Check one: • Qualified tuition program— Private <input type="checkbox"/> or State <input type="checkbox"/> • Coverdell ESA <input type="checkbox"/>	6 Check if the recipient is not the designated beneficiary <input type="checkbox"/> 3.25"
Street address (including apt. no.)			
City, state, and ZIP code			
Account number (see instructions)			

Payments From Qualified Education Programs (Under Sections 529 and 530)

**Copy A**  
For Internal Revenue Service Center File with Form 1096.

For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.

Form 1099-Q    Cat. No. 32223J    Department of the Treasury - Internal Revenue Service

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3131 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		← 4.5" →	
PAYER'S/TRUSTEE'S name, street address, city, state, ZIP code, and telephone number		1 Gross distribution \$	OMB No. 1545-1760  <b>2007</b>  Form 1099-Q
		2 Earnings \$	
PAYER'S/TRUSTEE'S federal identification no.	RECIPIENT'S social security number	3 Basis \$	4 Trustee-to-trustee transfer <input type="checkbox"/>
RECIPIENT'S name		5 Check one: • Qualified tuition program— Private <input type="checkbox"/> or State <input type="checkbox"/> • Coverdell ESA <input type="checkbox"/>	6 Check if the recipient is not the designated beneficiary <input type="checkbox"/>
Street address (including apt. no.)			
City, state, and ZIP code			
Account number (see instructions)			

Payments From Qualified Education Programs (Under Sections 529 and 530)

**Copy A**  
For Internal Revenue Service Center File with Form 1096.

For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.

Form 1099-Q    Cat. No. 32223J    Department of the Treasury - Internal Revenue Service

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3131 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		← 4.5" →	
PAYER'S/TRUSTEE'S name, street address, city, state, ZIP code, and telephone number		1 Gross distribution \$	OMB No. 1545-1760  <b>2007</b>  Form 1099-Q
		2 Earnings \$	
PAYER'S/TRUSTEE'S federal identification no.	RECIPIENT'S social security number	3 Basis \$	4 Trustee-to-trustee transfer <input type="checkbox"/>
RECIPIENT'S name		5 Check one: • Qualified tuition program— Private <input type="checkbox"/> or State <input type="checkbox"/> • Coverdell ESA <input type="checkbox"/>	6 Check if the recipient is not the designated beneficiary <input type="checkbox"/>
Street address (including apt. no.)			
City, state, and ZIP code			
Account number (see instructions)			

Payments From Qualified Education Programs (Under Sections 529 and 530)

**Copy A**  
For Internal Revenue Service Center File with Form 1096.

For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.

Form 1099-Q    Cat. No. 32223J    Department of the Treasury - Internal Revenue Service

# Exhibit S

9898 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0119		<b>2007</b> Form <b>1099-R</b>	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>
PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution			
PAYER'S federal identification number    RECIPIENT'S identification number		2a Taxable amount		Total distribution <input type="checkbox"/> Copy A For Internal Revenue Service Center	
		2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>			
RECIPIENT'S name		3 Capital gain (included in box 2a)		4 Federal income tax withheld	
		5 Employee contributions / Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities	
Street address (including apt. no.)		7 Distribution code(s)		8 Other	
		9a Your percentage of total distribution %		9b Total employee contributions %	
City, state, and ZIP code		10 State tax withheld		11 State/Payer's state no.	
		13 Local tax withheld		14 Name of locality	
Account number (see instructions)		12 State distribution		15 Local distribution	
		13 Local tax withheld		14 Name of locality	

Form **1099-R**    Cat. No. 14436Q    Department of the Treasury — Internal Revenue Service

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9898 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0119		<b>2007</b> Form <b>1099-R</b>	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>
PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution			
PAYER'S federal identification number    RECIPIENT'S identification number		2a Taxable amount		Total distribution <input type="checkbox"/> Copy A For Internal Revenue Service Center	
		2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>			
RECIPIENT'S name		3 Capital gain (included in box 2a)		4 Federal income tax withheld	
		5 Employee contributions / Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities	
Street address (including apt. no.)		7 Distribution code(s)		8 Other	
		9a Your percentage of total distribution %		9b Total employee contributions %	
City, state, and ZIP code		10 State tax withheld		11 State/Payer's state no.	
		13 Local tax withheld		14 Name of locality	
Account number (see instructions)		12 State distribution		15 Local distribution	
		13 Local tax withheld		14 Name of locality	

Form **1099-R**    Cat. No. 14436Q    Department of the Treasury — Internal Revenue Service

# Exhibit T

7575     VOID     CORRECTED

FILER'S name, street address, city, state, ZIP code, and telephone no.		1 Date of closing	OMB No. 1545-0997	<b>2007</b> Proceeds From Real Estate Transactions Form 1099-S
		2 Gross proceeds		
		\$		
FILER'S federal identification number	TRANSFEROR'S identification number	3 Address or legal description (including city, state, and ZIP code)		<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
TRANSFEROR'S name				
Street address (including apt. no.)				
City, state, and ZIP code		4 Check here if the transferor received or will receive property or services as part of the consideration. <input type="checkbox"/>		
Account or escrow number (see instructions)		5 Buyer's part of real estate tax		
		\$		

Form 1099-S    Cat. No. 64292E    Department of the Treasury - Internal Revenue Service

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7575     VOID     CORRECTED

FILER'S name, street address, city, state, ZIP code, and telephone no.		1 Date of closing	OMB No. 1545-0997	<b>2007</b> Proceeds From Real Estate Transactions Form 1099-S
		2 Gross proceeds		
		\$		
FILER'S federal identification number	TRANSFEROR'S identification number	3 Address or legal description (including city, state, and ZIP code)		<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
TRANSFEROR'S name				
Street address (including apt. no.)				
City, state, and ZIP code		4 Check here if the transferor received or will receive property or services as part of the consideration. <input type="checkbox"/>		
Account or escrow number (see instructions)		5 Buyer's part of real estate tax		
		\$		

Form 1099-S    Cat. No. 64292E    Department of the Treasury - Internal Revenue Service

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7575     VOID     CORRECTED

FILER'S name, street address, city, state, ZIP code, and telephone no.		1 Date of closing	OMB No. 1545-0997	<b>2007</b> Proceeds From Real Estate Transactions Form 1099-S
		2 Gross proceeds		
		\$		
FILER'S federal identification number	TRANSFEROR'S identification number	3 Address or legal description (including city, state, and ZIP code)		<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
TRANSFEROR'S name				
Street address (including apt. no.)				
City, state, and ZIP code		4 Check here if the transferor received or will receive property or services as part of the consideration. <input type="checkbox"/>		
Account or escrow number (see instructions)		5 Buyer's part of real estate tax		
		\$		

Form 1099-S    Cat. No. 64292E    Department of the Treasury - Internal Revenue Service



# Exhibit V

2828  VOID  CORRECTED

TRUSTEE'S or ISSUER'S name, street address, city, state, and ZIP code		1 IRA contributions (other than amounts in boxes 2-4 and 8-10) \$	OMB No. 1545-0747 <b>2007</b>	<b>IRA Contribution Information</b>
		2 Rollover contributions \$	Form 5498	
TRUSTEE'S or ISSUER'S federal identification no.	PARTICIPANT'S social security number	3 Roth IRA conversion amount \$	4 Recharacterized contributions \$	<b>Copy A For Internal Revenue Service Center File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
PARTICIPANT'S name		5 Fair market value of account \$	6 Life insurance cost included in box 1 \$	
Street address (including apt. no.)		7 IRA SEP SIMPLE Roth IRA <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
City, state, and ZIP code		8 SEP contributions \$	9 SIMPLE contributions \$	
Account number (see instructions)		10 Roth IRA contributions \$	11 Check if RMD for 2008 <input type="checkbox"/>	

Form 5498 Cat. No. 50010C Department of the Treasury - Internal Revenue Service

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2828  VOID  CORRECTED

TRUSTEE'S or ISSUER'S name, street address, city, state, and ZIP code		1 IRA contributions (other than amounts in boxes 2-4 and 8-10) \$	OMB No. 1545-0747 <b>2007</b>	<b>IRA Contribution Information</b>
		2 Rollover contributions \$	Form 5498	
TRUSTEE'S or ISSUER'S federal identification no.	PARTICIPANT'S social security number	3 Roth IRA conversion amount \$	4 Recharacterized contributions \$	<b>Copy A For Internal Revenue Service Center File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
PARTICIPANT'S name		5 Fair market value of account \$	6 Life insurance cost included in box 1 \$	
Street address (including apt. no.)		7 IRA SEP SIMPLE Roth IRA <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
City, state, and ZIP code		8 SEP contributions \$	9 SIMPLE contributions \$	
Account number (see instructions)		10 Roth IRA contributions \$	11 Check if RMD for 2008 <input type="checkbox"/>	

Form 5498 Cat. No. 50010C Department of the Treasury - Internal Revenue Service

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2828  VOID  CORRECTED

TRUSTEE'S or ISSUER'S name, street address, city, state, and ZIP code		1 IRA contributions (other than amounts in boxes 2-4 and 8-10) \$	OMB No. 1545-0747 <b>2007</b>	<b>IRA Contribution Information</b>
		2 Rollover contributions \$	Form 5498	
TRUSTEE'S or ISSUER'S federal identification no.	PARTICIPANT'S social security number	3 Roth IRA conversion amount \$	4 Recharacterized contributions \$	<b>Copy A For Internal Revenue Service Center File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.
PARTICIPANT'S name		5 Fair market value of account \$	6 Life insurance cost included in box 1 \$	
Street address (including apt. no.)		7 IRA SEP SIMPLE Roth IRA <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
City, state, and ZIP code		8 SEP contributions \$	9 SIMPLE contributions \$	
Account number (see instructions)		10 Roth IRA contributions \$	11 Check if RMD for 2008 <input type="checkbox"/>	

Form 5498 Cat. No. 50010C Department of the Treasury - Internal Revenue Service

# Exhibit W

7272 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				<b>Coverdell ESA Contribution Information</b>
TRUSTEE'S or ISSUER'S name, street address, city, state, and ZIP code		1 Coverdell ESA contributions \$	OMB No. 1545-1815  <b>2007</b>	<b>Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
BENEFCIARY'S name		2 Rollover contributions \$	Form 5498-ESA	
TRUSTEE'S/ISSUER'S federal identification no.	BENEFCIARY'S social security number			
Street address (including apt. no.)				
City, state, and ZIP code				
Account number (see instructions)				
Form 5498-ESA		Cat. No. 34011J	Department of the Treasury - Internal Revenue Service	
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7272 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				<b>Coverdell ESA Contribution Information</b>
TRUSTEE'S or ISSUER'S name, street address, city, state, and ZIP code		1 Coverdell ESA contributions \$	OMB No. 1545-1815  <b>2007</b>	<b>Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
BENEFCIARY'S name		2 Rollover contributions \$	Form 5498-ESA	
TRUSTEE'S/ISSUER'S federal identification no.	BENEFCIARY'S social security number			
Street address (including apt. no.)				
City, state, and ZIP code				
Account number (see instructions)				
Form 5498-ESA		Cat. No. 34011J	Department of the Treasury - Internal Revenue Service	
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7272 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				<b>Coverdell ESA Contribution Information</b>
TRUSTEE'S or ISSUER'S name, street address, city, state, and ZIP code		1 Coverdell ESA contributions \$	OMB No. 1545-1815  <b>2007</b>	<b>Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>
BENEFCIARY'S name		2 Rollover contributions \$	Form 5498-ESA	
TRUSTEE'S/ISSUER'S federal identification no.	BENEFCIARY'S social security number			
Street address (including apt. no.)				
City, state, and ZIP code				
Account number (see instructions)				
Form 5498-ESA		Cat. No. 34011J	Department of the Treasury - Internal Revenue Service	

# Exhibit X

2727  VOID  CORRECTED

TRUSTEE'S name, street address, city, state, and ZIP code		1 Employee or self-employed person's Archer MSA contributions made in 2007 and 2008 for 2007 \$	OMB No. 1545-1518	<b>2007</b>	<b>HSA, Archer MSA, or Medicare Advantage MSA Information</b>
		2 Total contributions made in 2007 \$	Form <b>5498-SA</b>		
TRUSTEE'S federal identification number	PARTICIPANT'S social security number	3 Total HSA or Archer MSA contributions made in 2008 for 2007 \$		<b>Copy A For Internal Revenue Service Center File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
PARTICIPANT'S name		4 Rollover contributions \$	5 Fair market value of HSA, Archer MSA, or MA MSA \$		
Street address (including apt. no.)		6 HSA <input type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>			
City, state, and ZIP code					
Account number (see instructions)					

Form **5498-SA** Cat. No. 38467V Department of the Treasury - Internal Revenue Service

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2727  VOID  CORRECTED

TRUSTEE'S name, street address, city, state, and ZIP code		1 Employee or self-employed person's Archer MSA contributions made in 2007 and 2008 for 2007 \$	OMB No. 1545-1518	<b>2007</b>	<b>HSA, Archer MSA, or Medicare Advantage MSA Information</b>
		2 Total contributions made in 2007 \$	Form <b>5498-SA</b>		
TRUSTEE'S federal identification number	PARTICIPANT'S social security number	3 Total HSA or Archer MSA contributions made in 2008 for 2007 \$		<b>Copy A For Internal Revenue Service Center File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
PARTICIPANT'S name		4 Rollover contributions \$	5 Fair market value of HSA, Archer MSA, or MA MSA \$		
Street address (including apt. no.)		6 HSA <input type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>			
City, state, and ZIP code					
Account number (see instructions)					

Form **5498-SA** Cat. No. 38467V Department of the Treasury - Internal Revenue Service

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2727  VOID  CORRECTED

TRUSTEE'S name, street address, city, state, and ZIP code		1 Employee or self-employed person's Archer MSA contributions made in 2007 and 2008 for 2007 \$	OMB No. 1545-1518	<b>2007</b>	<b>HSA, Archer MSA, or Medicare Advantage MSA Information</b>
		2 Total contributions made in 2007 \$	Form <b>5498-SA</b>		
TRUSTEE'S federal identification number	PARTICIPANT'S social security number	3 Total HSA or Archer MSA contributions made in 2008 for 2007 \$		<b>Copy A For Internal Revenue Service Center File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the 2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
PARTICIPANT'S name		4 Rollover contributions \$	5 Fair market value of HSA, Archer MSA, or MA MSA \$		
Street address (including apt. no.)		6 HSA <input type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>			
City, state, and ZIP code					
Account number (see instructions)					

Form **5498-SA** Cat. No. 38467V Department of the Treasury - Internal Revenue Service



# Exhibit Y

3232  CORRECTED

PAYER'S name	1 Gross winnings	2 Federal income tax withheld
Street address	3 Type of wager	4 Date won
City, state, and ZIP code	5 Transaction	6 Race
Federal identification number      Telephone number	7 Winnings from identical wagers	8 Cashier
WINNER'S name	9 Winner's taxpayer identification no.	10 Window
Street address (including apt. no.)	11 First I.D.	12 Second I.D.
City, state, and ZIP code	13 State/Payer's state identification no.	14 State income tax withheld
Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.		
Signature ►	Date ►	

OMB No. 1545-0238

**2007**  
**Form W-2G**  
**Certain**  
**Gambling**  
**Winnings**

For Privacy Act and Paperwork Reduction Act Notice, see the **2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.**

**File with Form 1096.**

**Copy A**  
**For Internal Revenue Service Center**

Form **W-2G**      Cat. No. 10138V      Department of the Treasury - Internal Revenue Service

3232  CORRECTED

PAYER'S name	1 Gross winnings	2 Federal income tax withheld
Street address	3 Type of wager	4 Date won
City, state, and ZIP code	5 Transaction	6 Race
Federal identification number      Telephone number	7 Winnings from identical wagers	8 Cashier
WINNER'S name	9 Winner's taxpayer identification no.	10 Window
Street address (including apt. no.)	11 First I.D.	12 Second I.D.
City, state, and ZIP code	13 State/Payer's state identification no.	14 State income tax withheld
Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.		
Signature ►	Date ►	

OMB No. 1545-0238

**2007**  
**Form W-2G**  
**Certain**  
**Gambling**  
**Winnings**

For Privacy Act and Paperwork Reduction Act Notice, see the **2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.**

**File with Form 1096.**

**Copy A**  
**For Internal Revenue Service Center**

Form **W-2G**      Cat. No. 10138V      Department of the Treasury - Internal Revenue Service

3232  CORRECTED

PAYER'S name	1 Gross winnings	2 Federal income tax withheld
Street address	3 Type of wager	4 Date won
City, state, and ZIP code	5 Transaction	6 Race
Federal identification number      Telephone number	7 Winnings from identical wagers	8 Cashier
WINNER'S name	9 Winner's taxpayer identification no.	10 Window
Street address (including apt. no.)	11 First I.D.	12 Second I.D.
City, state, and ZIP code	13 State/Payer's state identification no.	14 State income tax withheld
Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.		
Signature ►	Date ►	

OMB No. 1545-0238

**2007**  
**Form W-2G**  
**Certain**  
**Gambling**  
**Winnings**

For Privacy Act and Paperwork Reduction Act Notice, see the **2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.**

**File with Form 1096.**

**Copy A**  
**For Internal Revenue Service Center**

Form **W-2G**      Cat. No. 10138V      Department of the Treasury - Internal Revenue Service

# Exhibit Z

Form <b>1042-S</b>		<b>Foreign Person's U.S. Source Income Subject to Withholding</b>			<b>2007</b>		OMB No. 1545-0096	
Department of the Treasury Internal Revenue Service		<input type="checkbox"/> <b>AMENDED</b>		<input type="checkbox"/> <b>PRO-RATA BASIS REPORTING</b>		<b>Copy A</b> for Internal Revenue Service		
<b>1</b> Income code	<b>2</b> Gross income	<b>3</b> Withholding allowances	<b>4</b> Net income	<b>5</b> Tax rate	<b>6</b> Exemption code	<b>7</b> U.S. Federal tax withheld	<b>8</b> Amount repaid to recipient	
<b>9</b> Withholding agent's EIN ▶ <input type="checkbox"/> EIN <input type="checkbox"/> QI-EIN				<b>14</b> Recipient's U.S. TIN, if any ▶ <input type="checkbox"/> SSN or ITIN <input type="checkbox"/> EIN <input type="checkbox"/> QI-EIN				
<b>10a</b> WITHHOLDING AGENT'S name				<b>15</b> Recipient's country of residence for tax purposes		<b>16</b> Country code		
<b>10b</b> Address (number and street)				<b>17</b> NONQUALIFIED INTERMEDIARY'S (NQI'S)/ FLOW-THROUGH ENTITY'S name		<b>18</b> Country code		
<b>10c</b> Additional address line (room or suite no.)				<b>19a</b> NQI's/Flow-through entity's address (number and street)				
<b>10d</b> City or town, province or state, and country		<b>10e</b> ZIP code or foreign postal code			<b>19b</b> Additional address line (room or suite no.)			
<b>11</b> Recipient's account number (optional)			<b>12</b> Recipient code		<b>19c</b> City or town, province or state, and country		<b>19d</b> ZIP code or foreign postal code	
<b>13a</b> RECIPIENT'S name				<b>20</b> NQI's/Flow-through entity's TIN, if any ▶				
<b>13b</b> Address (number and street)				<b>21</b> PAYER'S name and TIN (if different from withholding agent's)				
<b>13c</b> Additional address line (room or suite no.)								
<b>13d</b> City or town, province or state, and country		<b>13e</b> ZIP code or foreign postal code		<b>22</b> State income tax withheld		<b>23</b> Payer's state tax no.		<b>24</b> Name of state

For Privacy Act and Paperwork Reduction Act Notice, see page 16 of the separate instructions. Cat. No. 11386R Form **1042-S** (2007)

Form <b>1042-S</b>		<b>Foreign Person's U.S. Source Income Subject to Withholding</b>			<b>2007</b>		OMB No. 1545-0096	
Department of the Treasury Internal Revenue Service		<input type="checkbox"/> <b>AMENDED</b>		<input type="checkbox"/> <b>PRO-RATA BASIS REPORTING</b>		<b>Copy A</b> for Internal Revenue Service		
<b>1</b> Income code	<b>2</b> Gross income	<b>3</b> Withholding allowances	<b>4</b> Net income	<b>5</b> Tax rate	<b>6</b> Exemption code	<b>7</b> U.S. Federal tax withheld	<b>8</b> Amount repaid to recipient	
<b>9</b> Withholding agent's EIN ▶ <input type="checkbox"/> EIN <input type="checkbox"/> QI-EIN				<b>14</b> Recipient's U.S. TIN, if any ▶ <input type="checkbox"/> SSN or ITIN <input type="checkbox"/> EIN <input type="checkbox"/> QI-EIN				
<b>10a</b> WITHHOLDING AGENT'S name				<b>15</b> Recipient's country of residence for tax purposes		<b>16</b> Country code		
<b>10b</b> Address (number and street)				<b>17</b> NONQUALIFIED INTERMEDIARY'S (NQI'S)/ FLOW-THROUGH ENTITY'S name		<b>18</b> Country code		
<b>10c</b> Additional address line (room or suite no.)				<b>19a</b> NQI's/Flow-through entity's address (number and street)				
<b>10d</b> City or town, province or state, and country		<b>10e</b> ZIP code or foreign postal code			<b>19b</b> Additional address line (room or suite no.)			
<b>11</b> Recipient's account number (optional)			<b>12</b> Recipient code		<b>19c</b> City or town, province or state, and country		<b>19d</b> ZIP code or foreign postal code	
<b>13a</b> RECIPIENT'S name				<b>20</b> NQI's/Flow-through entity's TIN, if any ▶				
<b>13b</b> Address (number and street)				<b>21</b> PAYER'S name and TIN (if different from withholding agent's)				
<b>13c</b> Additional address line (room or suite no.)								
<b>13d</b> City or town, province or state, and country		<b>13e</b> ZIP code or foreign postal code		<b>22</b> State income tax withheld		<b>23</b> Payer's state tax no.		<b>24</b> Name of state

For Privacy Act and Paperwork Reduction Act Notice, see page 16 of the separate instructions. Cat. No. 11386R Form **1042-S** (2007)

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.  
(Also: Part I, Section 42; 1.42-13.)

## Rev. Proc. 2007-54

### SECTION 1. PURPOSE

This revenue procedure establishes a procedure for temporary relief from certain requirements of § 42 of the Internal Revenue Code for owners of low-income housing buildings (Owners) and housing credit agencies of States or possessions of the United States (Agencies) in major disaster areas declared by the President. This revenue procedure supersedes the relief provisions of Rev. Proc. 95-28, 1995-1 C.B. 704.

### SECTION 2. CHANGE

.01 Under § 1.42-13(a) of the Income Tax Regulations, the Secretary may provide guidance to carry out the purposes of § 42 through various publications in the Internal Revenue Bulletin. Rev. Proc. 95-28 provided a procedure for temporary relief from certain requirements under § 42 in major disaster areas. Sections 5 and 6 of Rev. Proc. 95-28 provided certain relief from the carryover allocation provisions under 42(h)(1)(E) and § 1.42-6. The carryover allocation provisions were later amended by section 135(a)(1) of the Community Renewal Tax Relief Act of 2000 (Public Law 106-554) to allow a building that receives an allocation of credit in the second half of a calendar year to qualify for the carryover allocation of credit if the taxpayer expends an amount equal to 10 percent or more of the taxpayer's reasonably expected basis in the building within six months of receiving the allocation. In addition, § 1.42-6 was modified under T.D. 9110, 2004-1 C.B. 504, on December 31, 2003, to reflect the amendments to § 42(h)(1)(E). This revenue procedure makes changes to the provisions of Rev. Proc. 95-28 to extend temporary relief in major disaster areas to the carryover allocation provisions taking into account the amendments to § 42 and changes to the regulations.

.02 Section 8 of Rev. Proc. 95-28 provided certain relief to Agency compliance monitoring requirements under § 1.42-5.

Several provisions of § 1.42-5 were subsequently modified under T.D. 8859, 2000-1 C.B. 429, on January 13, 2000. This revenue procedure incorporates the modified compliance monitoring requirements under T.D. 8859.

.03 The Internal Revenue Service (Service) has issued several notices suspending certain § 42 requirements for Owners that provide temporary housing to individuals residing in certain major disaster areas who have been displaced because their residences have been destroyed or damaged as a result of the disaster. See Notice 2004-74, 2004-2 C.B. 875; Notice 2004-75, 2004-2 C.B. 876; and Notice 2004-76, 2004-2 C.B. 878; Notice 2005-69, 2005-2 C.B. 622; and Notice 2006-11, 2006-1 C.B. 457. This revenue procedure provides a procedure for Owners to rent on a temporary basis vacant low-income units to certain displaced low-income individuals that resided in major disaster areas described in section 4 of this revenue procedure.

### SECTION 3. SCOPE

This revenue procedure applies to Agencies and Owners in major disaster areas, as defined in section 4 of this revenue procedure.

### SECTION 4. MAJOR DISASTER AREA

When a disaster occurs that warrants assistance from the federal government, the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act), Title 42 U.S.C. 5121-5206 (2000 and Supp. IV 2004) authorizes the President to issue a major disaster declaration for the affected area. When the President issues such a declaration, the Federal Emergency Management Agency (FEMA) publishes a notice in the Federal Register designating particular cities and/or counties or other local jurisdictions covered by the President's major disaster declaration as eligible for Individual Assistance and/or Public Assistance. A city and/or county or other local jurisdiction so designated by FEMA for Individual Assistance and/or Public Assistance under the President's disaster declaration is a major disaster area for purposes of the relief provisions under sections 5, 6, 7, 8, 9, 10, and 12 of this revenue procedure. The emergency housing relief of

section 11 of this revenue procedure applies only in States or possessions where FEMA designates cities and/or counties or other local jurisdictions for Individual Assistance.

### SECTION 5. RELIEF FOR CARRYOVER ALLOCATIONS

.01 A carryover allocation is an allocation of low-income housing credits made in a year before the project is placed in service.

.02 If an Owner has a carryover allocation for a building located in a major disaster area, the Service will treat the Owner as having satisfied the 10-percent basis requirement of § 42(h)(1)(E)(ii) if the Owner incurs more than 10 percent of the Owner's reasonably expected basis in the project (land and depreciable basis) no later than six months after the date that Owners would otherwise be required to meet the 10-percent basis requirement under § 1.42-6(a)(2)(i) and (ii). See § 1.42-6 for specific rules on carryover allocations.

.03 If an Owner has a carryover allocation for a building located in a major disaster area and the area is declared a major disaster area during the 2-year period described in § 42(h)(1)(E)(i), the Service will treat the Owner as having satisfied the applicable placed in service requirement if the Owner places the building in service no later than December 31 of the year following the end of the 2-year period. See § 1.42-6 for specific rules on carryover allocations.

.04 If an Owner obtains the relief provided in section 5.02 of this revenue procedure but fails to satisfy the 10-percent basis requirement of § 42(h)(1)(E)(ii) by the extension period granted under the authority of section 5.02, the Service will treat the carryover allocation under § 1.42-6(a)(2)(i)(ii) as a credit returned to the Agency on the day following the end of the extension period granted under the authority of section 5.02, provided the Agency complies with the requirements of § 1.42-14(d)(3). See § 1.42-14 for specific rules on returned credits.

.05 If an Owner obtains the relief provided in section 5.03 of this revenue procedure but fails to satisfy the placed in service requirement of § 42(h)(1)(E)(i) by the close of the calendar year following the end of the 2-year period of

§ 42(h)(1)(E)(i), the Service will treat the carryover allocation credit amount as a credit returned to the Agency on January 1 of the second year following the two year period of § 42(h)(1)(E)(i), provided the Agency complies with the requirements of § 1.42-14(d)(3).

#### SECTION 6. PROCEDURE TO OBTAIN CARRYOVER ALLOCATION RELIEF

.01 An Owner may obtain the carryover allocation relief described in sections 5.02 or 5.03 of this revenue procedure only if the Owner receives approval for the relief from the Agency that issued the carryover allocation.

.02 The Agency may approve the carryover allocation relief provided in sections 5.02 and 5.03 of this revenue procedure only for projects whose Owners cannot reasonably satisfy the deadlines of § 42(h)(1)(E) because of a disaster that led to a major disaster declaration under the Stafford Act. An Agency may make this determination on an individual project basis or may determine, because of the extent of the damage in a major disaster area that all Owners or a certain group of Owners in the major disaster area warrant the relief provided in sections 5.02 and 5.03 of this revenue procedure. An Agency has the discretion to provide less than the full amount of relief allowed under sections 5.02 and 5.03 or no relief based upon all the facts and circumstances.

.03 An Agency that chooses to approve the relief provided in sections 5.02 and 5.03 of this revenue procedure must do so before filing the Form 8610, *Annual Low-Income Housing Credit Agencies Report*, that covers the preceding calendar year. The Form 8610 is due by February 28 of the year following the year to which the Form 8610 applies.

.04 An Agency that provides the relief in sections 5.02 and 5.03 of this revenue procedure must report to the Service projects granted relief by attaching the required documentation as provided in the instructions to Form 8610. The Agency should identify only those buildings, including buildings granted relief in January and February of the year in which the Agency files the Form 8610, that had received its approval of the carryover allocation relief provided in sections 5.02 and

5.03 of this revenue procedure since the Agency last filed the Form 8610.

#### SECTION 7. RECAPTURE RELIEF

.01 Under § 42(j)(4)(E), a building (1) that is beyond the first year of the credit period and (2) that, because of a disaster that led to a major disaster declaration, has suffered a reduction in qualified basis that would cause it to be subject to recapture or loss of credit will not be subject to recapture or loss of credit if the building's qualified basis is restored within a reasonable restoration period. The Agency that monitors the building for compliance with § 42 shall determine what constitutes a reasonable restoration period, not to exceed 24 months after the end of the calendar year in which the President issued a major disaster declaration for the area where the building is located. If the Owner of the building fails to restore the building within the reasonable restoration period determined by the Agency, the Owner shall lose all credit claimed during the restoration period and suffer recapture for any prior years of claimed credit under the provisions of § 42(j)(1).

.02 To determine the credit amount allowable during the reasonable restoration period, an Owner described in section 7.01 of this revenue procedure must use the building's qualified basis at the end of the taxable year that preceded the President's major disaster declaration.

.03 Section 1.42-5(c)(1) requires an Owner to report any reduction in qualified basis to the Agency that monitors the building for compliance with § 42 whether or not an Owner obtains the relief provided in section 7.01 of this revenue procedure.

.04 As part of its review procedure adopted under § 1.42-5(c)(2), an Agency must determine whether the Owner described in section 7.01 of this revenue procedure has restored the building's qualified basis by the end of the reasonable restoration period established by the Agency. The Agency must report on Form 8823, *Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition*, any failure to restore qualified basis within such period.

#### SECTION 8. COMPLIANCE MONITORING RELIEF

.01 An Agency may extend the due date for its scheduled compliance reviews for up to one calendar year from the date the building is restored and placed back into service under section 7.01 of this revenue procedure.

.02 The granting of compliance monitoring relief to an Agency does not extend the compliance monitoring deadlines for Owners in major disaster areas. If an Agency discovers that an Owner has failed to comply with the rules of § 42 because of a major disaster, the Agency must report on the Form 8823 how the major disaster contributed to the noncompliance.

#### SECTION 9. BUILDINGS IN THE FIRST YEAR OF THE CREDIT PERIOD

.01 For buildings in the first year of the credit period that are located in a major disaster area and are severely damaged or destroyed as a result of a major disaster, an Agency has the discretion to treat the allocation as returned credit to the Agency in accordance with the requirements of § 1.42-14(d)(3), or may toll the beginning of the first year of the credit period under § 42(f)(1) until the project is restored. The tolling time period shall not extend more than 24 months after the end of the calendar year in which the President declared the area a major disaster area under the Stafford Act. No qualified basis shall be established until the building is restored and no low-income housing credit shall be claimed during the restoration period of such first-year buildings.

.02 An Agency that provides the relief in section 9.01 of this revenue procedure must report to the Service those projects granted relief by attaching the required documentation as provided in the instructions to Form 8610.

#### SECTION 10. AMOUNT OF CREDIT ALLOWABLE TO RESTORED BUILDING

.01 Except as provided in section 10.02 of this revenue procedure, in the case of a building for which a credit is allowed under § 42, no additional credit is permitted under § 42 for costs to restore, by recon-

struction or replacement, the building to its pre-casualty condition under § 42(j)(4)(E).

.02 An Agency may allocate credits for rehabilitation expenditures, as defined under § 42(e), that are in excess of the eligible basis immediately prior to the casualty. For this purpose, the eligible basis immediately prior to the casualty includes the original eligible basis and any subsequent rehabilitation expenditures treated as a separate new building under § 42(e).

## SECTION 11. EMERGENCY HOUSING RELIEF

.01 *Approval of Housing Credit Agency.* Without prior authorization from the Service, an Agency may permit some or all Owners within the Agency's jurisdiction to provide temporary emergency housing after a major disaster to displaced low-income individuals that were living within the Agency's jurisdiction at the time of the major disaster. Prior to housing any displaced low-income individuals, the Owner must obtain written approval from the Agency to participate in temporary emergency housing relief. For this purpose, temporary emergency housing means housing displaced low-income individuals for a period not to exceed 4 months beyond the date of the President's major disaster declaration. An individual is a displaced individual if the individual was displaced from his/her principal place of residence as a result of a major disaster and the principal place of residence is in a city, county, or other local jurisdiction designated for Individual Assistance by FEMA as a result of the major disaster.

.02 *Requirements for Owner.* The temporary housing of displaced low-income individuals in low-income units without meeting the documentation requirements of § 1.42-5(b)(1)(vii) will not cause the building to suffer a reduction in qualified basis that would cause the recapture of low-income housing credits, provided the owner ensures the following requirements are met:

(1) *Temporary Self-Certification of Income Requirements.* An Owner may rely on a displaced low-income individual's

self-certification of income eligibility signed under penalties of perjury in applying for temporary tenancy in the building as a result of a major disaster declaration as defined in section 4 of this revenue procedure. The self-certification shall provide that such individual's income will not exceed the applicable income limits of § 42 at the beginning of the individual's tenancy. The self-certification shall not extend for more than 4 months beyond the date of the President's major disaster declaration. The self-certification may be relied on by the Owner for purposes of determining the building's qualified basis under § 42(c)(1), and for purposes of satisfying the project's 20-50 or 40-60 minimum set-aside requirement as elected by the Owner under § 42(g)(1). During the 4-month self-certification period, the self-certified tenant is deemed a qualified tenant. After the 4-month self-certification period, the Owner must obtain all required documentation required under § 42 to support the tenant's continued status as a qualified low-income individual.

(2) *Self-Certification of Status as Displaced Individual.* An owner may rely on an individual's certification signed under penalties of perjury that the individual was displaced from his/her principal place of residence as a result of a major disaster and the principal place of residence is in a city, county, or other local jurisdiction designated for Individual Assistance as a result of the major disaster.

(3) *Recordkeeping.* To comply with the requirements of § 1.42-5, Owners must maintain and certify certain information concerning each displaced low-income individual temporarily housed in the project, specifically: name, address of damaged residence, social security number, the temporary self-certification of income, and the self-certification of status as a displaced individual. The Owner must also maintain and report to the Agency at the end of the emergency housing period a list of the names of the displaced individuals, and the dates the displaced individuals began and ceased temporary occupancy. This information shall be provided to the Service upon request.

(4) *Rent Restrictions.* Rents for the low-income units housing displaced individuals must not exceed the existing rent-restricted rates for the low-income units established under § 42(g)(2).

(5) *Protection of Existing Tenants.* Existing tenants in occupied low-income units cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for displaced individuals.

(6) *Suspension of Non-Transient Requirements.* The non-transient use requirement of § 42(i)(3)(B)(i) shall not apply to any unit providing temporary housing to a displaced individual during the 4-month temporary emergency housing period described in this section 11 of this revenue procedure.

## SECTION 12. OTHER RELIEF

Under the authority granted in § 42(n) and in accordance with § 1.42-13(a), the Service will consider granting relief similar to that described in sections 5.02, 5.03, 7.01, or section 11 of this revenue procedure for situations that are brought to its attention and not covered by this revenue procedure.

## SECTION 13. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 95-28, 1995-1 C.B. 704, is superseded.

## SECTION 14. EFFECTIVE DATE

This revenue procedure is effective for a major disaster declaration issued by the President under the Stafford Act on or after July 2, 2007.

## DRAFTING INFORMATION

The principal author of this revenue procedure is Jack Malgeri of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue procedure, contact Mr. Malgeri at (202) 622-3040 (not a toll-free number).

# Part IV. Items of General Interest

## Notice of Proposed Rulemaking by Cross-Reference to Temporary Regulations

### Built-in Gains and Losses Under Section 382(h)

#### REG-144540-06

AGENCY: Internal Revenue Service (IRS), Treasury.

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

SUMMARY: In this issue of the Bulletin, the IRS is issuing temporary regulations (T.D. 9330) that apply to corporations that have undergone ownership changes within the meaning of section 382. These regulations provide guidance on the treatment of prepaid income under the built-in gain provisions of section 382(h). The text of the temporary regulations published in this issue of the Bulletin serves as the text of these proposed regulations.

DATES: Written or electronic comments and requests for a public hearing must be received by September 12, 2007.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-144540-06), Room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-144540-06), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC; or sent electronically, via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-144540-06).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Keith Stanley, (202) 622-7750; concerning submission of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Richard Hurst, at (202) 622-2949 (TDD Telephone) (not

toll-free numbers) and his Email address is [Richard.A.Hurst@irscounsel.treas.gov](mailto:Richard.A.Hurst@irscounsel.treas.gov).

#### SUPPLEMENTARY INFORMATION:

##### Background and Explanation of Provisions

Temporary regulations in this issue of the Bulletin amend the Income Tax Regulations (26 CFR part 1) relating to section 382 of the Code. The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

##### Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It is hereby certified that these proposed regulations will not have a significant economic impact on a substantial number of small entities. These regulations only apply in the rare circumstance in which a qualifying loss corporation that uses a particular accounting method undergoes an ownership change. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Nevertheless, the IRS and Treasury Department request comments from small entities that believe they might be adversely affected by these regulations. 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 a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. Please see the "Comments" section of the temporary regulation on this subject for a description of specific issues on which comments are requested. The

IRS and Treasury Department also request comments on the clarity of the proposed rules and how they can be made easier to understand. All comments will be available for public inspection and copying. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

##### Drafting Information

The principal author of these regulations is Sean McKeever, Office of Associate Chief Counsel (Corporate).

\* \* \* \* \*

##### Proposed Amendments to the Regulations

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

#### PART 1—INCOME TAXES

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

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

Section 1.382-7 is also issued under 26 U.S.C. 382(m). \* \* \*

Par. 2. Section 1.382-7 is added to read as follows:

*§1.382-7 Built-in gains and losses.*

[The text of this proposed section is the same as the text of §1.382-7T(a) through (b)(1) published elsewhere in this issue of the Bulletin].

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

(Filed by the Office of the Federal Register on June 13, 2007, 8:45 a.m., and published in the issue of the Federal Register for June 14, 2007, 72 F.R. 32828)

## Section 1221(a)(4) Capital Asset Exclusion for Accounts and Notes Receivable; Hearing

### Announcement 2007-66

AGENCY: Internal Revenue Service (IRS), Treasury

**ACTION:** Notice of public hearing on proposed rulemaking.

**SUMMARY:** This document provides a notice of a hearing on the proposed regulations (REG-109367-06, 2006-41 I.R.B. 683) under section 1221(a)(4) of the Internal Revenue Code.

**DATES:** The hearing will be held on Wednesday, August, 22, 2007 at 10:00 a.m.

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

**FOR FURTHER INFORMATION CONTACT:** Concerning the regulations, K. Scott Brown (202) 622-7454; to notify the IRS that you plan to attend the hearing and to be placed on the building access list, Kelly Banks at (202) 622-0392 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:** On August 7, 2006, the Treasury Department and the IRS published in the Federal Register (71 FR 44600) proposed regulations § 1.1221-1(e), under section 1221(a)(4) of the Internal Revenue Code. These regulations clarify the circumstances in which accounts or notes receivable are “acquired ... for services rendered” within the meaning of section 1221(a)(4). A public hearing was held on November 7, 2006, to discuss these regulations. Only two individuals spoke at the hearing.

Additional written comments were received from interested parties after the period for comments closed and the hearing was held. Several of these written comments contained requests for private meetings. Because it is more appropriate to address the concerns raised in the comments publicly, the Treasury Department and the IRS are scheduling a public hearing at which taxpayers will have another opportunity to discuss the proposed regulations. The views expressed at the hearing will be used in the rulemaking process.

Most of the written comments focused on the length of time that the decisions have been outstanding in *Burbank Liquidating Corp. v. Commissioner*, 39 T.C. 999 (1963), *acq. sub. nom. United Assocs., Inc.*, 1965-1 C.B. 3, *aff'd in part and rev'd in part on other grounds*,

335 F.2d 125 (9<sup>th</sup> Cir. 1964), and *Federal National Mortgage Association v. Commissioner*, 100 T.C. 541 (1993). The Treasury Department and the IRS request participants at the forthcoming public hearing to focus on whether the interpretation in the proposed regulations is legally correct, and whether the decisions in *Burbank Liquidating* and *Federal National Mortgage Association* correctly applied section 1221(a)(4).

To attend the hearing, taxpayers must notify the IRS by Monday, July 23, 2007. Because of access restrictions, the IRS will not admit visitors beyond the immediate entrance area more than 30 minutes before the hearing. To notify the IRS that you plan to attend the hearing and for information about having your name placed on the building access list to attend the hearing, see the section in this document entitled “FOR FURTHER INFORMATION CONTACT.”

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

(Filed by the Office of the Federal Register on July 6, 2007, 8:45 a.m., and published in the issue of the Federal Register for July 9, 2007, 72 F.R. 37155)

# 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 List<sup>1</sup>**

Bulletins 2007–27 through 2007–31

### **Announcements:**

2007-61, 2007-28 I.R.B. 84  
2007-62, 2007-29 I.R.B. 115  
2007-63, 2007-30 I.R.B. 236  
2007-64, 2007-29 I.R.B. 125  
2007-65, 2007-30 I.R.B. 236  
2007-66, 2007-31 I.R.B. 296

### **Notices:**

2007-54, 2007-27 I.R.B. 12  
2007-55, 2007-27 I.R.B. 13  
2007-56, 2007-27 I.R.B. 15  
2007-57, 2007-29 I.R.B. 87  
2007-58, 2007-29 I.R.B. 88  
2007-59, 2007-30 I.R.B. 135  
2007-61, 2007-30 I.R.B. 140

### **Proposed Regulations:**

REG-119097-05, 2007-28 I.R.B. 74  
REG-144540-06, 2007-31 I.R.B. 296  
REG-103842-07, 2007-28 I.R.B. 79

### **Revenue Procedures:**

2007-42, 2007-27 I.R.B. 15  
2007-43, 2007-27 I.R.B. 26  
2007-44, 2007-28 I.R.B. 54  
2007-45, 2007-29 I.R.B. 89  
2007-46, 2007-29 I.R.B. 102  
2007-47, 2007-29 I.R.B. 108  
2007-48, 2007-29 I.R.B. 110  
2007-49, 2007-30 I.R.B. 141  
2007-50, 2007-31 I.R.B. 244  
2007-51, 2007-30 I.R.B. 143  
2007-52, 2007-30 I.R.B. 222  
2007-53, 2007-30 I.R.B. 233  
2007-54, 2007-31 I.R.B. 293

### **Revenue Rulings:**

2007-42, 2007-28 I.R.B. 44  
2007-43, 2007-28 I.R.B. 45  
2007-44, 2007-28 I.R.B. 47  
2007-45, 2007-28 I.R.B. 49  
2007-46, 2007-30 I.R.B. 126  
2007-47, 2007-30 I.R.B. 127  
2007-48, 2007-30 I.R.B. 129  
2007-49, 2007-31 I.R.B. 237

### **Treasury Decisions:**

9326, 2007-31 I.R.B. 242  
9327, 2007-28 I.R.B. 50  
9328, 2007-27 I.R.B. 1  
9330, 2007-31 I.R.B. 239

<sup>1</sup> A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2007–1 through 2007–26 is in Internal Revenue Bulletin 2007–26, dated June 25, 2007.

## **Finding List of Current Actions on Previously Published Items<sup>1</sup>**

Bulletins 2007–27 through 2007–31

### **Notices:**

#### **2007-26**

Modified by  
Notice 2007-56, 2007-27 I.R.B. 15

### **Proposed Regulations:**

#### **REG-109367-06**

Hearing scheduled by  
Ann. 2007-66, 2007-31 I.R.B. 296

### **Revenue Procedures:**

#### **90-27**

Superseded by  
Rev. Proc. 2007-52, 2007-30 I.R.B. 222

#### **95-28**

Superseded by  
Rev. Proc. 2007-54, 2007-31 I.R.B. 293

#### **97-14**

Modified and superseded by  
Rev. Proc. 2007-47, 2007-29 I.R.B. 108

#### **2002-9**

Modified and amplified by  
Rev. Proc. 2007-48, 2007-29 I.R.B. 110  
Rev. Proc. 2007-53, 2007-30 I.R.B. 233

#### **2004-42**

Superseded by  
Notice 2007-59, 2007-30 I.R.B. 135

#### **2005-16**

Modified by  
Rev. Proc. 2007-44, 2007-28 I.R.B. 54

#### **2005-66**

Clarified, modified, and superseded by  
Rev. Proc. 2007-44, 2007-28 I.R.B. 54

#### **2006-25**

Superseded by  
Rev. Proc. 2007-42, 2007-27 I.R.B. 15

#### **2006-27**

Modified by  
Rev. Proc. 2007-49, 2007-30 I.R.B. 141

#### **2006-33**

Superseded by  
Rev. Proc. 2007-51, 2007-30 I.R.B. 143

#### **2006-55**

Superseded by  
Rev. Proc. 2007-43, 2007-27 I.R.B. 26

#### **2007-15**

Superseded by  
Rev. Proc. 2007-50, 2007-31 I.R.B. 244

### **Revenue Rulings:**

#### **74-299**

Amplified by  
Rev. Rul. 2007-48, 2007-30 I.R.B. 129

#### **89-96**

Amplified by  
Rev. Rul. 2007-47, 2007-30 I.R.B. 127

#### **92-17**

Modified by  
Rev. Rul. 2007-42, 2007-28 I.R.B. 44

<sup>1</sup> A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2007–1 through 2007–26 is in Internal Revenue Bulletin 2007–26, dated June 25, 2007.

# INDEX

## Internal Revenue Bulletins 2007–27 through 2007–31

The abbreviation and number in parenthesis following the index entry refer to the specific item; numbers in roman and italic type following the parenthesis refers to the Internal Revenue Bulletin in which the item may be found and the page number on which it appears.

### Key to Abbreviations:

Ann	Announcement
CD	Court Decision
DO	Delegation Order
EO	Executive Order
PL	Public Law
PTE	Prohibited Transaction Exemption
RP	Revenue Procedure
RR	Revenue Ruling
SPR	Statement of Procedural Rules
TC	Tax Convention
TD	Treasury Decision
TDO	Treasury Department Order

## EMPLOYEE PLANS

- Determination letters, staggered remedial amendments (RP 44) 28, 54
- Employee Plans Compliance Resolution System (EPCRS), correction program (RP 49) 30, 141
- Form 5500, Schedule P, elimination (Ann 63) 30, 236
- Full funding limitations, weighted average interest rate for: July 2007 (Notice 61) 30, 140
- Nonexempt employees' trusts, income and employment tax consequences (RR 48) 30, 129
- Qualified retirement plans, pre-approved defined benefit plans, GUST amendments (Ann 61) 28, 84
- Terminations and partial terminations, turnover of employees, presumption (RR 43) 28, 45

## EMPLOYMENT TAX

- Nonexempt employees' trusts, income and employment tax consequences (RR 48) 30, 129
- Penalties, transitional relief for the return preparer penalty provisions under section 6694 (Notice 54) 27, 12
- Publications:
  - 1141, General Rules and Specifications for Substitute Forms W-2 and W-3, revised (RP 43) 27, 26
  - 4436, General Rules and Specifications for Substitute Form 941 and Schedule B (Form 941), revised (RP 42) 27, 15
- Substitute forms:
  - W-2 and W-3, general rules and specifications (RP 43) 27, 26
  - 941 and Schedule B (Form 941), general rules and specifications (RP 42) 27, 15

## ESTATE TAX

- Charitable lead annuity trust (CLAT):
  - Inter vivos, sample forms (RP 45) 29, 89
  - Testamentary, sample form (RP 46) 29, 102
- Grantor retained interest trusts, application of sections 2036 and 2039 (REG-119097-05) 28, 74
- Interest rates for 2007, farm real property, special use value (RR 45) 28, 49
- Penalties, transitional relief for the return preparer penalty provisions under section 6694 (Notice 54) 27, 12
- Proposed regulations:
  - 26 CFR 20.2036-1, amended; 20.2039-1, amended; grantor retained interest trusts-application of sections 2036 and 2039 (REG-119097-05) 28, 74

## EXCISE TAX

- Penalties, transitional relief for the return preparer penalty provisions under section 6694 (Notice 54) 27, 12

## EXEMPT ORGANIZATIONS

- Letter rulings and determination letters, exemption application determination letter rulings under sections 501 and 521 (RP 52) 30, 222
- Revocations (Ann 64) 29, 125; (Ann 65) 30, 236

## GIFT TAX

- Charitable lead annuity trust (CLAT), inter vivos, sample forms (RP 45) 29, 89;
- Penalties, transitional relief for the return preparer penalty provisions under section 6694 (Notice 54) 27, 12

## INCOME TAX

- Accounting methods:
  - Automatic consent to change, Advance Trade Discount Method (RP 53) 30, 233
  - Safe harbor method of accounting for rotatable spare parts (RP 48) 29, 110
- Accounts and notes receivable, section 1221(a)(4) capital asset exclusion, hearing (Ann 66) 31, 296
- Charitable lead annuity trust (CLAT):
  - Inter vivos, sample forms (RP 45) 29, 89
  - Testamentary, sample form (RP 46) 29, 102
- Corporations:
  - Corporate reorganizations, spin offs, distributions under section 355 (RR 42) 28, 44
  - Real estate investment trust (REIT) distributions subject to section 897(h)(1) (Notice 55) 27, 13
  - Section 382 treatment of prepaid income under built-in gain provisions of section 382(h) (TD 9330) 31, 239; (REG-144540-06) 31, 296

## INCOME TAX—Cont.

### Credits:

Clean renewable energy bonds, volume cap, change of address (Notice 56) 27, 15

### Low-income housing credit:

Guidance on temporary relief of certain section 42 requirements as a result of major disasters declared by the President (RP 54) 31, 293

Satisfactory bond, “bond factor” amounts for the period:

January through September 2007 (RR 46) 30, 126

Disclosure of returns and return information in connection with written contracts or agreements for the acquisition of property or services for tax administrative purposes (TD 9327) 28, 50

Financial services income under section 904(d), request for comments (Notice 58) 29, 88

### Forms:

1096, 1098, 1099, 5498, W-2G, and 1042-S, substitute form specifications (RP 50) 31, 244

1098, 1099, 5498 and W-2G, requirements for filing electronically or magnetically, 2007 revision (RP 51) 30, 143

1118, Foreign Tax Credit—Corporations, comments requested on proposed revisions (Ann 62) 29, 115

Insurance companies, inevitable future costs as insurance risk (RR 47) 30, 127

### Interest:

#### Investment:

Federal short-term, mid-term, and long-term rates for:

July 2007 (RR 44) 28, 47

Listed transaction, loss importation transaction (Notice 57) 29, 87

Nonexempt employees’ trusts, income and employment tax consequences (RR 48) 30, 129

Partnerships, subpart F income (TD 9326) 31, 242

Payment card transactions, procedure for payment card organization to obtain Qualified Payment Card Agent (QPCA) determination (Notice 59) 30, 135

Penalties, transitional relief for the return preparer penalty provisions under section 6694 (Notice 54) 27, 12

### Proposed Regulations:

26 CFR 1.382-7, added; built-in gains and losses under section 382(h) (REG-144540-06) 31, 296

26 CFR 1.199-3, -7, -8, amended; qualified films under section 199 (REG-103842-07) 28, 79

### Publications:

1141, General Rules and Specifications for Substitute Forms W-2 and W-3, revised (RP 43) 27, 26

1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, W-2G, and 1042-S, update (RP 50) 31, 244

1220, Specifications for Filing Forms 1098, 1099, 5498 and W-2G Electronically or Magnetically, 2007 revision (RP 51) 30, 143

4436, General Rules and Specifications for Substitute Form 941 and Schedule B (Form 941), revised (RP 42) 27, 15

Qualified films under section 199 (REG-103842-07) 28, 79

## INCOME TAX—Cont.

### Regulations:

26 CFR 1.382-7T, added; built-in gains and losses under section 382(h) (TD 9330) 31, 239

26 CFR 1.475-0, amended; 1.475(a)-4, added; 1.475(e)-1, redesignated as 1.475(g)-1; 1.475(g)-1, amended; 602.101, amended; safe harbor for valuation under section 475 (TD 9328) 27, 1

26 CFR 1.954-2, amended; 1.954-2T, removed; guidance under subpart F relating to partnerships (TD 9326) 31, 242

26 CFR 301.6103(n)-1, revised; disclosure of returns and return information in connection with written contracts or agreements for the acquisition of property or services for tax administration purposes (TD 9327) 28, 50

Research agreements, private business use (RP 47) 29, 108

Revocations, exempt organizations (Ann 64) 29, 125; (Ann 65) 30, 236

Safe harbor for valuation under section 475 for dealers in securities and commodities (TD 9328) 27, 1

Stocks, post-grant restrictions added to previously vested stock (RR 49) 31, 237

### Substitute forms:

W-2 and W-3, general rules and specifications (RP 43) 27, 26  
941 and Schedule B (Form 941), general rules and specifications (RP 42) 27, 15

1096, 1098, 1099, 5498, W-2G, and 1042-S, rules and specifications (RP 50) 31, 244







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