Internal Revenue
bulletin

Bulletin No. 2011-11
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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

Notice 2011–14, page 544.

Guidance on mortgage assistance programs. This notice provides guidance on the federal tax consequences of payments made to or on behalf of financially distressed homeowners under programs established pursuant to the Treasury Department's Housing Finance Agency Innovative Fund for the Hardest-Hit Housing Markets (HFA Hardest Hit Fund) and the Department of Housing and Urban Development's Emergency Homeowners' Loan Program (EHLP). This notice also provides guidance on the information reporting requirements for these payments.

Notice 2011–18, page 549.

This notice provides transitional relief from information reporting requirements in section 6045B of the Code that apply to issuers of stock with respect to organizational actions that affect the basis of the stock.

Rev. Proc. 2011–20, page 551.

Guidance is provided to individuals who fail to meet the eligibility requirements of section 911(d)(1) of the Code because adverse conditions in a foreign country preclude the individual from meeting those requirements. A current list of countries for tax year 2010 and the dates those countries are subject to the section 911(d)(4) waiver is provided.

Announcement 2011–19, page 553.

This announcement provides conditions under which certain issuers that have purchased their own bonds may enter into a voluntary closing agreement with respect to the extinguishment of such bonds.

EMPLOYEE PLANS

Notice 2011–19, page 550.

This notice provides guidance regarding when securities of the employer are *readily tradable on an established securities market* or *readily tradable on an established market* for purposes of certain provisions of the Code relating to employer securities held by certain qualified retirement plans.

ADMINISTRATIVE

Notice 2011–14, page 544.

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Finding Lists begin on page ii.

Department of the Treasury
Internal Revenue Service

The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the 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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Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 163.—Interest

The Service provides guidance on the federal tax consequences of payments made to or on behalf of financially distressed homeowners under programs established pursuant to the Treasury Department's Housing Finance Agency Innovative Fund for the Hardest-Hit Housing Markets and the Department of Housing and Urban Development's Emergency Homeowners' Loan Program. See Notice 2011-14, page 544.

Section 164.—Taxes

The Service provides guidance on the federal tax consequences of payments made to or on behalf of financially distressed homeowners under programs established pursuant to the Treasury Department's Housing Finance Agency Innovative Fund for the Hardest-Hit Housing Markets and the Department of Housing and Urban Development's Emergency Homeowners' Loan Program. See Notice 2011-14, page 544.

Section 6041.—Information at Source

The Service provides guidance on the information reporting requirements for payments made to or on behalf of financially distressed homeowners under programs established pursuant to the Treasury Department's Housing Finance Agency Innovative Fund for the Hardest-Hit Housing Markets and the Department of Housing and Urban Development's Emergency Homeowners' Loan Program. See Notice 2011-14, page 544.

Section 6050H.—Returns Relating to Mortgage Interest Received in Trade or Business From Individuals

The Service provides guidance on the information reporting requirements for payments made to or on behalf of financially distressed homeowners under programs established pursuant to the Treasury Department's Housing Finance Agency Innovative Fund for the Hardest-Hit Housing Markets and the Department of Housing and Urban Development's Emergency Homeowners' Loan Program. See Notice 2011-14, page 544.

Section 6721.—Failure to File Correct Information Returns

The Service provides guidance on the information reporting requirements for payments made to or on behalf of financially distressed homeowners under programs established pursuant to the Treasury Department's Housing Finance Agency Innovative Fund for the Hardest-Hit Housing Markets and the Department of Housing and Urban Development's Emergency Homeowners' Loan Program. See Notice 2011-14, page 544.

Section 6722.—Failure to Furnish Correct Payee Statements

The Service provides guidance on the information reporting requirements for payments made to or on behalf of financially distressed homeowners under programs established pursuant to the Treasury Department's Housing Finance Agency Innovative Fund for the Hardest-Hit Housing Markets and the Department of Housing and Urban Development's Emergency Homeowners' Loan Program. See Notice 2011-14, page 544.

Part III. Administrative, Procedural, and Miscellaneous

Tax Consequences to Homeowners, Mortgage Servicers, and State Housing Finance Agencies of Participation in the HFA Hardest Hit Fund and The Emergency Homeowners' Loan Program

Notice 2011–14

PURPOSE

This notice provides guidance on the federal tax consequences of, and information reporting requirements for, payments made to or on behalf of financially distressed homeowners under programs designed by state housing finance agencies (State HFAs)[1] with funds allocated from the Housing Finance Agency Innovative Fund for the Hardest-Hit Housing Markets (HFA Hardest Hit Fund). This notice applies to the programs designed by State HFAs that are listed in the Appendix to this notice (State Programs).

This notice also provides guidance on the federal tax consequences of, and information reporting requirements for, payments made on behalf of financially distressed homeowners under the Department of Housing and Urban Development's Emergency Homeowners' Loan Program (EHLP) and any existing state program receiving funding from the EHLP (the substantially similar state programs or SSSPs).

Specifically, this notice addresses whether—

- Disbursements under a "Forgivable Loan" (as defined below) or a HUD Note (as defined below) are treated as payments to homeowners and not as disbursements of loan proceeds;
- Homeowners who receive or benefit from payments made under the State Programs, the EHLP, or the SSSPs exclude the payments from gross income under the general welfare exclusion and deduct otherwise deductible expenses (for example, mortgage interest and real property taxes) paid from those payments; and
- Payments to or on behalf of homeowners made under the State Programs, the EHLP, or the SSSPs are exempt from the information reporting requirements of §§ 6041 and 6050H of the Internal Revenue Code.

THE HFA HARDEST HIT FUND PROGRAM

Overview

In February 2010, the United States Department of the Treasury (Treasury Department) established the HFA Hardest Hit Fund, which is authorized by section 109 of the Emergency Economic Stabilization Act (EESA), Division A of Pub. L. 110–343, 112 Stat. 3774 (2008). The purposes of the HFA Hardest Hit Fund are to provide funds to the State Programs (1) to assist homeowners in preventing avoidable foreclosures, and (2) to stabilize housing markets. The HFA Hardest Hit Fund is designed to allow each State HFA maximum flexibility in designing locally focused programs to address the needs of financially distressed homeowners within the state or a specific region of the state. Each of the State Programs that receives funding from the HFA Hardest Hit Fund has as its primary objective preventing avoidable foreclosures of homeowners' homes and stabilizing housing markets.

The HFA Hardest Hit Fund is available in states where either housing prices have declined more than 20 percent from peak prices or the unemployment rate equals or exceeds the national average. The states eligible for this funding are Alabama, Arizona, California, the District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, Nevada, New Jersey, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, and Tennessee.

To receive funding from the HFA Hardest Hit Fund, each of these states submitted proposals describing its programs and verifying that each of the programs would meet the requirements of the EESA and the purposes of the HFA Hardest Hit Fund. Funding under the HFA Hardest Hit Fund is available for, but not limited to, programs involving the following transactions: mortgage modifications, principal forbearance to facilitate additional mortgage modifications, short sales and deeds-in-lieu of foreclosure, unemployment programs, principal reductions for homeowners with severe negative equity, and second-lien reductions and modifications.

Approved State Programs and their Common Elements

The Treasury Department has approved all of the State Programs listed in the Appendix to this notice[2] and is distributing funds from the HFA Hardest Hit Fund for use by the State HFAs. Generally, under the State Programs homeowners must demonstrate that they have suffered a financial hardship due to certain events, such as unemployment, underemployment, medical condition, death of a spouse, or divorce, and as a result are in danger of losing their homes in foreclosure or need financial assistance to ensure that their loans become or remain affordable. Although most of the State Programs have the goal of helping financially distressed homeowners remain in their homes, some State Programs also help homeowners who can no longer afford their homes to transition to more affordable homes. Some states limit participation in their programs to homeowners whose income does not exceed certain limits.

In some cases, the State Programs assist a homeowner by making cash payments directly to or on behalf of the homeowner without mentioning any repayment obligation. On the other hand, sometimes the governing documents discuss repayment and call the arrangement a "loan" or a "forgivable loan." Even in these cases, however, the terms of the arrangement generally operate to relieve the homeowner of an obligation to make any repayments. The terms achieve this end by reducing the stated principal amount to zero over time if the homeowner meets certain program requirements. Though State Programs may

[1] For purposes of this notice, the term "state housing finance agencies" includes other non-profit agencies organized and controlled by a state. In addition, the term "state" means the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico.

[2] The Treasury Department may amend the list of State Programs in the Appendix to this notice through subsequent published guidance.

vary, an arrangement like this is generally secured by a subordinate lien on the home and is documented as a zero-percent-interest, nonrecourse, non-amortizing "loan" to the homeowner with a term ranging from 3 to 10 years. (This notice calls these arrangements "Forgivable Loans.") For example, under some programs the unpaid stated principal of a Forgivable Loan declines 20 percent each year for 5 years if the homeowner remains current on the homeowner's mortgage loan payments and continues to use the property as a principal residence. In general, no payments are due on a Forgivable Loan unless (1) the homeowner sells, refinances, or transfers title to the property before the term expires, and (2) equity proceeds from the sale, refinancing, or title transfer are available to pay some or all of the remaining unpaid stated principal balance. As a result, the Treasury Department and the State Programs do not expect homeowners to make more than a minimal amount of payments on Forgivable Loans.

THE EMERGENCY HOMEOWNERS' LOAN PROGRAM AND SUBSTANTIALLY SIMILAR STATE PROGRAMS

Overview

Section 1496 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), Pub. L. 111–203, 124 Stat. 2207 (2010), reauthorized and revised the Emergency Homeowners' Loan Program (EHLP), 12 U.S.C. §§ 2701–2712, and provided $1 billion to the Department of Housing and Urban Development (HUD) to implement the EHLP and existing state programs that are substantially similar to the EHLP (the substantially similar state programs or SSSPs). The purpose of the EHLP and the SSSPs is to provide assistance to homeowners who are at risk of foreclosure and have experienced a substantial reduction in income as a result of involuntary unemployment or underemployment due to adverse economic or medical conditions. *See* 12 U.S.C. § 2702(4). The $1 billion of funding is allocated based on a state's approximate share of unemployed homeowners. The EHLP and the SSSPs complement the HFA Hardest Hit Fund by providing assistance to homeowners in Puerto Rico and the 32 states that did not receive funds from the HFA Hardest Hit Fund. *See* Emergency Homeowners' Loan Program: Notice of Allocation of Funding for Substantially Similar State Programs ("Funding Notice"), 75 Fed. Reg. 69,454 (November 12, 2010).

Eligible Pre-Existing State Programs

The Dodd-Frank Act provides that a state may administer EHLP funds if HUD determines that the state program qualifies as an SSSP. An SSSP is a state program existing on July 21, 2010, that provides substantially similar assistance to homeowners. 12 U.S.C. § 2707(d). A state with an SSSP may exercise greater flexibility in program design and is not required to modify its program to comply with Title 12 after HUD determines that the program is an SSSP. 12 U.S.C. § 2707(d). To receive funding from the EHLP, State HFAs submitted proposals describing how their programs provide assistance to homeowners that is substantially similar to that provided under the EHLP. Only SSSPs are eligible to administer an allocation from the $1 billion provided to the EHLP under the Dodd-Frank Act. Section III.B.2 of the Funding Notice. If a state does not have an SSSP, then HUD administers the state's allocation from the $1 billion of funding in accordance with the EHLP.

Homeowners Eligible for Assistance and Operation of the EHLP and SSSPs

To receive assistance from the EHLP or an SSSP, a homeowner must meet certain eligibility requirements. The homeowner must reside in the mortgaged property as his or her principal residence at the time of application and for the duration of the assistance. The homeowner must also be involuntarily unemployed or underemployed because of adverse economic or medical conditions. The homeowner must have household income equal to or less than 120% of the area median income for the area in which the homeowner resides, and have experienced a substantial reduction in income as a result of involuntary unemployment or underemployment due to adverse economic or medical conditions. *See* 12 U.S.C. § 2702(4). The homeowner also must be at least three months delinquent on the homeowner's first mortgage and provide evidence that foreclosure on that mortgage is likely or imminent. In addition, the homeowner must have a reasonable likelihood of being able to (1) resume repayments of the first mortgage obligation within two years, and (2) meet other housing expenses and debt obligations when the assistance ends. *See* 12 U.S.C. § 2702.

Under the EHLP (but not an SSSP), eligible homeowners must contribute the greater of 31 percent of their monthly gross income or $25 towards the monthly payments on the first mortgage. Under the EHLP, homeowner contributions will be combined with the governmental funds and forwarded to the servicer/lender as the monthly payment on the first mortgage. HUD expects the SSSPs to use their existing procedures for handling borrower contributions.

The EHLP will provide a reasonably necessary amount to assist an eligible homeowner with (i) a maximum of 24 months of monthly payments of mortgage principal, interest, mortgage insurance premiums, taxes, and hazard insurance, and (ii) payments of arrearages (mortgage principal, interest, mortgage insurance premiums, taxes, hazard insurance, late fees, and certain foreclosure related legal expenses). HUD prefers, but does not require, the SSSPs to limit assistance to a 24-month period. The EHLP and the SSSPs must include assistance in making monthly payments to the servicer of the first mortgage and may not restrict payments only to arrearages. If the household's gross income increases to 85% or more of the income prior to the unemployment, underemployment, or medical condition, then the assistance will be phased out over a two-month period.

The assistance that the EHLP and the SSSPs provide to a homeowner must be pursuant to a note with terms and repayment conditions that are similar to the Forgivable Loan described above, except that the homeowner is responsible for repayment of the applicable balance of the note if the homeowner defaults on the homeowner's monthly mortgage payment obligation during the five-year period after the assistance ends. (This notice calls these arrangements "HUD Notes.") As a result, HUD and the SSSPs do not expect homeowners to make more than a minimal amount of payments on the HUD Notes.

APPLICABLE PROVISIONS OF LAW

Characterization of Forgivable Loans and the HUD Notes

If assistance to a homeowner under a State Program is structured as a Forgivable Loan, the Internal Revenue Service will treat the disbursements to or on behalf of the homeowner as payments to the homeowner rather than as disbursements of loan proceeds, and those payments are treated as occurring at the time the disbursements are made. Similarly, if assistance to a homeowner under the EHLP or an SSSP is pursuant to a HUD Note, the IRS will treat the disbursements to or on behalf of the homeowner as payments to the homeowner rather than as disbursements of loan proceeds, and those payments are treated as occurring at the time the disbursements are made.

Income Tax Consequences to Homeowners

Section 61(a) of the Code provides that, except as otherwise provided by law, gross income means all income from whatever source derived. The Service has consistently held, however, that payments made under governmental programs for the promotion of the general welfare are not includible in an individual recipient's gross income (general welfare exclusion). *See* Rev. Rul. 2009–19, 2009–28 I.R.B. 111, holding that Pay-for-Performance Success Payments made under the Home Affordable Modification Program to help homeowners who are at risk of losing their homes pay their mortgage loans on their principal residences are excluded from income under the general welfare exclusion. *See also* Rev. Rul. 76–373, 1976–2 C.B. 16.

Similar to the payments in Rev. Rul. 2009–19, the payments made under the State Programs with funds from the HFA Hardest Hit Fund and the payments made under the EHLP and the SSSPs with funds authorized by the Dodd-Frank Act promote the general welfare by helping homeowners who are at risk of losing their homes either pay their mortgage loans or transition to more affordable housing and do not involve the performance of services. Therefore, payments made under the State Programs, the EHLP, and the SSSPs to or on behalf of a homeowner are excluded from gross income under the general welfare exclusion.

For taxable years 2010, 2011, and 2012, this notice provides a safe harbor method pursuant to which a homeowner may deduct on his or her federal income tax return an amount equal to the sum of all payments the homeowner actually makes during that year to the mortgage servicer, HUD, or the State HFA on the home mortgage, but not in excess of the sum of the amounts shown on Form 1098, *Mortgage Interest Statement*, in box 1 (mortgage interest received), box 4 (mortgage insurance premiums) for years 2010 and 2011 only, and box 5 (real property taxes). This safe harbor method of computing the homeowner's deduction applies for a taxable year if (1) the homeowner meets the requirements of §§ 163 and 164 to deduct all of the mortgage interest on the loan and all of the real property taxes on the principal residence; and (2) the homeowner participates in the EHLP, an SSSP, or a State Program described in the Appendix to this notice in which the program payments could be used to pay interest on the home mortgage.

Information Reporting Obligations

Section 6041 of the Code requires every person engaged in a trade or business (including state governments and their agencies) to (1) file an information return for each calendar year in which the person makes in the course of its trade or business payments to another person of fixed and determinable income aggregating $600 or more, and (2) furnish a copy of the information return to that person. *See* § 6041(a) and (d) and § 1.6041–1(a)(1) and (b) of the Income Tax Regulations.

Because the payments made under the State Programs, the EHLP, and the SSSPs are excluded from the gross income of the homeowners, they are not fixed or determinable income under § 6041. Thus, under § 6041 payors do not file information returns or furnish copies to homeowners for payments made under the State Programs, the EHLP, or the SSSPs.

Section 6050H of the Code requires every person engaged in a trade or business (including state governments and their agencies) to (1) file an information return for each calendar year in which the person receives in the course of its trade or business payments from an individual of interest on a mortgage aggregating $600 or more, and (2) furnish a copy of the information return to that individual. See § 6050H(a) and (d) and § 1.6050H–1(a) of the regulations.

For purposes of § 6050H, interest received from a governmental unit or its agency or instrumentality is not interest received on a mortgage, and thus should not be reported as interest received on a mortgage. See § 1.6050H–1(e)(3)(ii) of the regulations.

Accordingly, if a person receives payments under a State Program, the EHLP, or an SSSP from a governmental unit or its agency or instrumentality of interest on the homeowner's mortgage, that person should not include those payments in the amount reported as interest received on a mortgage on Form 1098.

Section 6721 of the Code imposes penalties on a person for failing to include all required information or including incorrect information on an information return. Section 6722 imposes penalties on a person for failing to include all required information or including incorrect information on a payee statement. However, the Service will not assert penalties under §§ 6721 and 6722 against a mortgage servicer that reports on Forms 1098 payments received under a State Program, the EHLP, or an SSSP during calendar year 2010. Additionally, the Service will not assert penalties under §§ 6721 and 6722 against a mortgage servicer that reports on Forms 1098 payments received under a State Program, the EHLP, or an SSSP during calendar years 2011 or 2012 if the servicer notifies homeowners that the amounts reported on the Form 1098 are overstated because they include government subsidy payments. The Service will not assert penalties under §§ 6721 and 6722 against any State HFA for failing to file and furnish Forms 1098 for calendar year 2010. Furthermore, the Service will not assert penalties under §§ 6721 and 6722 against any State HFA for failing to file and furnish Forms 1098 for calendar years 2011 and 2012 if the State HFA provides each homeowner and the IRS a statement setting forth (1) the homeowner's name and TIN, and (2) the amount of payments the State HFA made to the mortgage servicer under the State Program or the SSSP during that year (separately stating the amount

the State HFA paid and the amount the homeowner paid). The statement the State HFA provides to the IRS must be a single statement that separately lists the names, TINs, and relevant payment amounts for each homeowner. In addition, for calendar years 2011 and 2012, HUD should provide each homeowner and the IRS a statement setting forth (1) the homeowner's name and TIN, and (2) the amount of payments HUD made to the mortgage servicer under the EHLP during that year (separately stating the amount HUD paid and the amount the homeowner paid). The statement HUD provides to the IRS should be a single statement that separately lists the names, TINs, and relevant payment amounts for each homeowner. The IRS intends to issue future published guidance specifying the IRS office where the State HFAs and HUD should send the single statements.

SUMMARY OF FEDERAL TAX CONSEQUENCES OF PAYMENTS UNDER THE STATE PROGRAMS, THE EHLP, OR THE SSSPS TO ASSIST FINANCIALLY DISTRESSED HOMEOWNERS

Disbursements under a Forgivable Loan or a HUD Note are treated as payments to a homeowner and not as disbursements of loan proceeds.

A homeowner who receives or benefits from payments made under the State Programs, the EHLP, or an SSSP excludes the payments from gross income under the general welfare exclusion.

Payments to or on behalf of a homeowner made under the State Programs, the EHLP, and the SSSP are not subject to the information reporting requirements of § 6041.

The Service will not assert penalties under §§ 6721 and 6722 against a mortgage servicer that reports on Forms 1098 payments received under a State Program, the EHLP or an SSSP during calendar year 2010. Additionally, the Service will not assert penalties under §§ 6721 and 6722 against a mortgage servicer that reports on Forms 1098 payments received under a State Program, the EHLP, or an SSSP during calendar years 2011 or 2012 if the servicer notifies homeowners that the amounts reported on the Form 1098 are overstated because they include government subsidy payments.

The Service will not assert penalties under §§ 6721 and 6722 against any State HFA for failing to file and furnish Forms 1098 for calendar year 2010. In addition, the Service will not assert penalties under §§ 6721 and 6722 for calendar years 2011 and 2012 against any State HFA if the State HFA provides each homeowner and the IRS a statement setting forth (1) the homeowner's name and TIN, and (2) the amount of payments the State HFA made to a mortgage servicer under the State Program or the SSSP during that year (separately stating the amount the State HFA paid and the amount the homeowner paid). The statement the State HFA provides to the IRS must be a single statement that separately lists the names, TINs, and relevant payment amounts for each homeowner. For calendar years 2011 and 2012, HUD should provide each homeowner and the IRS a statement setting forth (1) the homeowner's name and TIN, and (2) the amount of payments HUD made to the mortgage servicer under the EHLP during that year (separately stating the amount HUD paid and the amount the homeowner paid). The statement HUD provides to the IRS should be a single statement that separately lists the names, TINs, and relevant payment amounts for each homeowner. The IRS intends to issue future published guidance specifying the IRS office where the State HFAs and HUD should send the single statements.

For taxable years 2010, 2011, and 2012, this notice provides a safe harbor method pursuant to which a homeowner may deduct on his or her federal income tax return an amount equal to the sum of all payments the homeowner actually makes during that year to the mortgage servicer, HUD, or the State HFA on the home mortgage, but not in excess of the sum of the amounts shown on Form 1098, *Mortgage Interest Statement*, in box 1 (mortgage interest received), box 4 (mortgage insurance premiums) for years 2010 and 2011 only, and box 5 (real property taxes). This safe harbor method of computing the homeowner's deduction applies for a taxable year if (1) the homeowner meets the requirements of §§ 163 and 164 to deduct all of the mortgage interest on the loan and all of the real property taxes on the principal residence, and (2) the homeowner participates in the EHLP, an SSSP, or a State Program described in the Appendix to this notice in which the program payments could be used to pay interest on the home mortgage.

PERSON TO CONTACT

The principal author of this notice is Shareen S. Pflanz of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this notice, contact Shareen S. Pflanz at (202) 622–4920 (not a toll-free call).

Appendix
Alabama
Hardest Hit for Alabama's Unemployed Homeowners
Arizona
Save My Home AZ Program:
Permanent Modifications Component
Second Mortgage Assistance Component
Temporary Modification Component

California
Unemployment Mortgage Assistance Program
Mortgage Reinstatement Assistance Program
Principal Reduction Program
The Transition Assistance Program
District of Columbia
Homesaver Program
Florida
Unemployment Mortgage Assistance Program
Mortgage Loan Reinstatement Program
Georgia
Mortgage Payment Assistance (MPA)
Illinois
Hardest Hit Fund Homeowner Emergency Loan Program (HHF HELP)
Indiana
Hardest Hit Fund Unemployment Bridge Program
Kentucky
Kentucky Unemployment Bridge Program
Michigan
Principal Curtailment Program
Loan Rescue Program
Unemployment Mortgage Subsidy Program
Mississippi
Home Saver Program
Nevada
Principal Reduction Program
Second Mortgage Reduction Plan
Short-Sale Acceleration Program
Mortgage Assistance Program (MAP)
New Jersey
New Jersey Homekeeper Program (NJHK)
North Carolina
Mortgage Payment Program (MPP–1)
Mortgage Payment Program (MPP–2)
Second Mortgage Refinance Program (SMRP)
Permanent Loan Modification Program (PLMP)

Ohio
Rescue Payment Assistance Program
Partial Mortgage Payment Assistance Program
Mortgage Modification with Principal Reduction Program
Transition Assistance Program
Short Refinance Program
Oregon
Loan Modification Assistance Program
Mortgage Payment Assistance Program
Loan Preservation Assistance Program
Transition Assistance Program
Rhode Island
Loan Modification Assistance for HAMP Customers (LMA-HAMP)
Loan Modification Assistance for Non-HAMP Customers (LMA-Non-HAMP)
Temporary and Immediate Homeowner Assistance (TIHA)
Moving Forward Assistance
Mortgage Payment Assistance — Unemployment Program
South Carolina
Monthly Payment Assistance Program
Direct Loan Assistance Program
HAMP Assistance Program
Second Mortgage Assistance Program
Property Disposition Assistance Program
Tennessee
Hardest Hit Fund Program (HHFP)

Postponing Filing Date for Section 6045B Issuer Return

Notice 2011–18

PURPOSE

This notice provides transitional relief from information reporting requirements in section 6045B of the Internal Revenue Code ("Code") that apply to issuers of stock with respect to organizational actions that affect the basis of the stock. This notice provides that, for organizational actions occurring in 2011, the Internal Revenue Service will not impose penalties against issuers for missing the deadline to file a return reporting the action or make the return publicly available provided that the issuer files the return with the Service or makes it publicly available by January 17, 2012. This notice does not apply to an issuer's requirement to furnish the same information to the issuer's stockholders and nominees of its stockholders.

BACKGROUND

Section 403 of the Energy Improvement and Extension Act of 2008, Div. B of Pub. L. No. 110–343, 122 Stat. 3765, enacted on October 3, 2008, added section 6045B to the Code. Section 6045B provides that, for organizational actions beginning in 2011, an issuer of stock must file a return with the Service to describe any organizational action (such as a stock split, merger, or acquisition) that affects the basis of a specified security. Under section 6045B(d) and section 6045(g)(3)(B), in 2011 a specified security is limited to stock in a corporation. The issuer generally must file the return within 45 days after the organizational action. The issuer must also furnish a corresponding statement to each nominee of the stockholder (or to each stockholder if there is no nominee) by January 15th of the year following the calendar year of the organizational action.

Alternately, the issuer is not required to file an issuer return with the Service if it posts the return on its primary public Web site in a readily accessible format by the filing date. Treas. Reg. § 1.6045B–1(a)(3).

The requirements under section 6045B do not apply to issuers of stock in a regulated investment company until 2012.

Under the 45-day deadline, the earliest date that an issuer must file a return is February 15, 2011, for an organizational action that took place on January 1, 2011.

The Service is developing the form and manner of an issuer return contemplated by section 6045B(a), as well as considering what additional information, if any, to be provided on such return.

TRANSITIONAL INFORMATION REPORTING REQUIREMENTS FOR ISSUERS OF STOCK REPORTING ORGANIZATIONAL ACTIONS TAKEN IN 2011

Section 6721 imposes a penalty on any issuer of stock that does not timely file a correct issuer return with the Service as required by section 6045B(a). The Service expects issuers to make a good-faith effort to comply with the requirements of section 6045B(a); however, until an alternative form is developed and made available by the Service, issuer compliance with section 6045B(a) may be currently satisfied only through public reporting of information, as contemplated by section 6045B(e). Accordingly, the Service will not impose penalties under section 6721 for a failure to file an issuer return with the Service within 45 days of an organizational action taken in 2011, provided that the issuer files the issuer return with the Internal Revenue Service (or posts the return on its Web site as provided in the regulations) by January 17, 2012. This transitional relief does not apply to issuers of stock in a regulated investment company, which are not subject to the issuer reporting requirements for 2011 organizational actions.

DRAFTING INFORMATION

The principal author of this notice is Carlton King of the Office of Associate Chief Counsel (Procedure & Administration). For further information regarding this notice, please contact Carlton King at (202) 622–4910 (not a toll-free call).

Definition of Readily Tradable On An Established Securities Market

Notice 2011–19

Purpose

This notice provides guidance regarding when securities of the employer are *readily tradable on an established securities market or readily tradable on an established market* for purposes of certain provisions of the Internal Revenue Code relating to employer securities held by certain qualified retirement plans.

Background

Section 4975(e)(7) defines an employee stock ownership plan (ESOP) as a defined contribution plan (1) which is a stock bonus plan which is qualified under § 401(a), or a stock bonus and a money purchase plan both of which are qualified under § 401(a), and which are designed to invest primarily in qualifying employer securities as defined in § 4975(e)(8), and (2) which is otherwise defined in regulations prescribed by the Secretary. Section 4975(e)(7) also states that an employee stock ownership plan must satisfy certain requirements in § 409, including the requirements of § 409(h). In addition, § 401(a)(23) generally provides that a stock bonus plan is not a qualified plan under § 401(a) unless the plan meets certain requirements, including the requirements of § 409(h).

Section 401(a)(22) generally provides that a defined contribution plan (other than a profit sharing plan) must meet the requirements of § 409(e) (which relates to passthrough of voting rights) if it is established by an employer whose stock is not *readily tradable on an established market*, and after acquiring securities of the employer, more than 10 percent of the total assets of the plan are securities of the employer.

Section 409(h) provides generally that a plan satisfies the requirements of § 409(h) if the plan offers a participant who is entitled to a distribution the right to demand payment in the form of employer securities and, if the employer securities are not *readily tradable on an established market*, the participant must also have the right to require that the employer repurchase the employer securities under a fair valuation formula (put option).

Section 401(a)(35)(A) provides that a trust which is part of an applicable defined contribution plan is not a qualified trust under § 401(a) unless the plan satisfies certain diversification requirements set forth in § 401(a)(35)(B), (C), and (D). Subject to certain exceptions, an applicable defined contribution plan under § 401(a)(35) is a defined contribution plan that holds any publicly traded employer securities. A publicly traded employer security is defined in § 401(a)(35)(G)(v) as an employer security under section 407(d)(1) of ERISA which is *readily tradable on an established securities market*.

Section 401(a)(28) provides that an ESOP, and a tax credit employee stock ownership plan under § 409(a), is not a qualified plan under § 401(a) unless the plan meets the requirements of § 401(a)(28)(B) and (C). Section 401(a)(28)(B) imposes certain diversification requirements with respect to certain participants. Section 401(a)(28)(B) was amended by the Pension Protection Act of 2006, Pub. L. 109–280, 120 Stat. 780 (PPA '06) to not apply to a plan to which § 401(a)(35) applies. For employer securities that are not *readily tradable on an established securities market*, § 401(a)(28)(C) requires all valuations with respect to activities carried on by the plan to be made by an independent appraiser that meets requirements similar to the requirements of regulations under § 170(a)(1).

Section 404(k) generally permits an income tax deduction for the amount of any applicable dividend paid in cash by a C corporation with respect to applicable employer securities. For this purpose, applicable employer securities are generally defined to mean employer securities as defined in § 409(l) held by an ESOP.

Section 4975(e)(8), as amended by the Technical Corrections Act of 1979, P.L. 96–22 (1980), provides that qualifying employer securities must meet the definition set forth in § 409(l). Section 409(l)(1) defines employer securities as common stock issued by the employer (or by a corporation that is a member of the same controlled group) which is *readily tradable on an established securities market* and provides special rules for an employer that has no class of stock which is *readily tradable on an established securities market*. In the absence of any guidance of general applicability, some plans may have applied the definition of "publicly traded" at § 54.4975–7(b)(1)(iv) of the Excise Tax Regulations (issued before enactment of the Technical Corrections Act of 1979) to determine whether employer securities are readily tradable on

an established securities market within the meaning of § 409(l)(1).

Section 1042 generally provides that, if the taxpayer or executor so elects, gain on the sale of qualified employer securities which would be recognized as long-term capital gain is recognized only to the extent the gain exceeds the cost of qualified replacement property acquired within the replacement period. This treatment applies only if the sale is to an ESOP or eligible worker-owned cooperative that holds at least 30 percent of the corporation's stock after the sale, and various other conditions in § 1042(b) are satisfied. In addition, under § 1042(c), the only securities eligible for this treatment are employer securities defined under § 409(l) and issued by a domestic C corporation that has no stock outstanding that is *readily tradable on an established securities market*.

Final regulations under § 401(a)(35) were issued on May 18, 2010 (75 FR 27927). Under § 1.401(a)(35)–1(f)(5), a security is *readily tradable on an established securities market* if the security is traded on a national securities exchange that is registered under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f). The regulations also treat a security as *readily tradable on an established securities market* if the security is traded on a foreign national securities exchange that is officially recognized, sanctioned, or supervised by a governmental authority and where the security is deemed by the Securities and Exchange Commission (SEC) as having a ready market under SEC Rule 15c3–1 (17 CFR 240.15c3–1). Under the current SEC rules, a security that is included on the FTSE Group (FTSE) All-World Index is deemed to have a ready market. Section 1.401(a)(35)–1 is effective for plan years beginning on or after January 1, 2011.

Readily tradable on an established securities market or established market

Under this notice, the terms *readily tradable on an established securities market* and *readily tradable on an established market*, with respect to employer securities, each mean employer securities that are readily tradable on an established securities market within the meaning of § 1.401(a)(35)–1(f)(5) for purposes of the following provisions: (1) § 401(a)(22); (2) § 401(a)(28)(C); (3) § 409(h)(1)(B); (4) § 409(l); and (5) § 1042(c)(1)(A).

Effective Date

This notice is effective for plan years beginning on or after January 1, 2012. However, this notice is not effective until plan years beginning on or after January 1, 2013 for any plan that is sponsored by an employer with respect to which, on March 14, 2011, neither the employer nor any member of its controlled group (within the meaning of § 409(l)) has any common stock that is readily tradable on an established securities market within the meaning of § 1.401(a)(35)-(1)(f)(5)(A) (relating to securities that are traded on a national securities exchange that is registered under section 6 of the Securities Exchange Act of 1934), but the employer or a member of its controlled group has common stock that is readily tradable on an established securities market within the meaning of § 1.401(a)(35)-(1)(f)(5)(B) (relating to securities that are traded on a foreign national securities exchange that is officially recognized, sanctioned, or supervised by a governmental authority and is deemed by the SEC as having a "ready market" under SEC Rule 15c3–1, within the meaning of § 1.401(a)(35)-(1)(f)(5)(B)). Taxpayers (including any employer sponsoring a plan described in the preceding sentence) can rely on this notice for periods after March 14, 2011.

Drafting Information:

The principal author of this notice is Robert Gertner of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this notice, please contact the Employee Plans taxpayer assistance answering service at 1–877–829–5500 (a toll-free number) or e-mail Mr. Gertner at *RetirementPlanQuestions@irs.gov*.

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26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.
(Also: Part I, § 911, 1.911–1.)

Rev. Proc. 2011–20

SECTION 1. PURPOSE

.01 This revenue procedure provides information to any individual who failed to meet the eligibility requirements of section 911(d)(1) of the Internal Revenue Code because adverse conditions in a foreign country precluded the individual from meeting those requirements for taxable year 2010.

.02 This revenue procedure lists the countries for which the eligibility requirements of section 911(d)(1) are waived for taxable year 2010.

SECTION 2. BACKGROUND

.01 Section 911(a) of the Code allows a "qualified individual," as defined in section 911(d)(1), to exclude foreign earned income and housing cost amounts from gross income. Section 911(c)(4) of the Code allows a qualified individual to deduct housing cost amounts from gross income.

.02 Section 911(d)(1) of the Code defines the term "qualified individual" as an individual whose tax home is in a foreign country and who is (A) a citizen of the United States and establishes to the satisfaction of the Secretary of the Treasury that the individual has been a *bona fide* resident of a foreign country or countries for an uninterrupted period that includes an entire taxable year, or (B) a citizen or resident of the United States who, during any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days.

.03 Section 911(d)(4) of the Code provides an exception to the eligibility requirements of section 911(d)(1). An individual will be treated as a qualified individual with respect to a period in which the individual was a *bona fide* resident of, or was present in, a foreign country, if the individual left the country during a period for which the Secretary of the Treasury, after consultation with the Secretary of State, determines that individuals were required to leave because of war, civil unrest, or similar adverse conditions that precluded the normal conduct of business. An individual must establish that but for those conditions the individual could reasonably

have been expected to meet the eligibility requirements.

.04 For 2010, the Secretary of the Treasury, in consultation with the Secretary of State, has determined that war, civil unrest, or similar adverse conditions precluded the normal conduct of business in the following countries beginning on the specified date:

	Date of Departure
Country	*On or after*
Cote d'Ivoire	December 19, 2010
Haiti	January 13, 2010

Accordingly, for purposes of section 911 of the Code, an individual who left one of the foregoing countries on or after the specified departure date during 2010 shall be treated as a qualified individual with respect to the period during which that individual was present in, or was a *bona fide* resident of, such foreign country, if the individual establishes a reasonable expectation of meeting the requirements of section 911(d) but for those conditions.

.06 To qualify for relief under section 911(d)(4) of the Code, an individual must have established residency, or have been physically present, in the foreign country on or prior to the date that the Secretary of the Treasury determines that individuals were required to leave the foreign country. Individuals who establish residency, or are first physically present, in the foreign country after the date that the Secretary prescribes shall not be treated as qualified individuals under section 911(d)(4) of the Code. For example, individuals who are first physically present or establish residency in Cote d'Ivoire after December 19, 2010, are not eligible to qualify for the exception provided in section 911(d)(4) of the Code for taxable year 2010.

SECTION 3. INQUIRIES

A taxpayer who needs assistance on how to claim this exclusion, or on how to file an amended return, should contact a local IRS Office or, for a taxpayer residing or traveling outside the United States, the nearest overseas IRS office.

SECTION 4. DRAFTING INFORMATION

The principal author of this revenue procedure is Kate Y. Hwa of the Office of Associate Chief Counsel (International). For further information regarding this revenue procedure, contact Ms. Hwa at (202) 622–3840 (not a toll-free call).

Part IV. Items of General Interest

TEB Voluntary Closing Agreement Program: Relief from Debt Extinguishment for Certain Issuers Purchasing and Holding Their Own Tax-Exempt Bonds

Announcement 2011–19

SECTION 1. BACKGROUND

The Treasury Department and the Internal Revenue Service ("IRS") issued Notice 2008–41, 2008–1 C.B. 742 (April 14, 2008), as modified by Notice 2008–88, 2008–42 I.R.B. 933 (October 20, 2008), and Notice 2010–7, 2010–3 I.R.B. 296 (January 19, 2010), to provide relief from liquidity constraints in the tax-exempt bond market during the financial crisis. The notices provided certain temporary rules that allowed state and local governmental issuers to purchase and hold their own tax-exempt bonds for temporary holding periods without resulting in a retirement of the purchased tax-exempt bonds solely for the purposes of § 103 and §§ 141–150 of the Internal Revenue Code, as amended ("Code"). Section 3.2 of Notice 2010–7 provides in relevant part that the permitted holding period during which a state or local governmental issuer may hold its own tax-exempt bonds under the special rules in § 3.1 of Notice 2008–88 expires on December 31, 2010. Separately, certain special rules of continuing application allow state and local governmental issuers to hold their own "qualified tender bonds" for a temporary period pursuant to the exercise of a "qualified tender right" (as defined in § 3.2 of Notice 2008–41) without causing a reissuance or retirement of those bonds. After December 31, 2010, except for tax-exempt bonds held pursuant to rules of continuing application for qualified tender bonds, a state or local governmental issuer generally may not purchase and hold its own tax-exempt bonds without causing a retirement or extinguishment of such bonds (any such bonds so held are referred to as "extinguished bonds").

For various reasons beyond their control, some issuers that previously purchased their own tax-exempt bonds in the financial crisis pursuant to Notices 2008–41, 2008–88, and 2010–7 were unable to resell the bonds by December 31, 2010. In addition, other issuers may currently need to purchase and hold their own tax-exempt bonds due to certain current market challenges. Some of these issuers have approached the IRS about the possibility of entering into a voluntary closing agreement that would allow them to continue to purchase or hold their own tax-exempt bonds under § 103 of the Code after December 31, 2010.

SECTION 2. TAX EXEMPT BONDS VOLUNTARY CLOSING AGREEMENT PROGRAM (TEB VCAP)

.01 Pursuant to the TEB VCAP program set forth in Notice 2008–31, 2008–1 C.B. 592 (March 17, 2008), the IRS will consider requests from issuers of extinguished bonds for a voluntary closing agreement.

.02 The closing agreement will provide that the extinguished bonds will be treated as remaining outstanding for purposes of § 103 and §§ 141–150 during the period beginning on the later of January 1, 2011 or the date the issuer purchases its own bonds and ending on the earlier of: (1) the date that is 180 days after the execution of the closing agreement by the IRS and the issuer or such earlier date as requested by the issuer (the "Closing Date"); (2) the date that the bonds are successfully resold to a third party; (3) the date that the bonds are successfully currently refunded for purposes of §§ 103 and 141–150; or (4) the date that the bonds are cancelled on the books and records of the issuer.

.03 The closing agreement will be conditioned on:

(A) The authorizing body of the issuer submitting its adopted resolution (the "Authorizing Resolution") of its intent to resell or currently refund the extinguished bonds as tax-exempt bonds within the relevant period described in section 2.02 above. Such resolution shall be based on the opinion of its financial advisor or other expert that the resale or refunding of the bonds is likely to be successful within such period.

(B) The issuer's representations that the bonds to be resold or currently refunded by the issuer: (1) are outstanding for purposes of State law and constitute legal, valid, and binding obligations of the issuer under applicable State law; and (2) assuming that the bonds are treated as remaining outstanding for purposes of § 103 and §§ 141–150, qualify as tax-exempt obligations of the issuer under § 103 of the Code. The issuer may make these representations itself or the issuer may satisfy the requirement for these representations through submission of an unqualified bond counsel opinion from a nationally recognized public finance attorney or law firm that addresses these representations.

(C) The payment of a fee by the issuer equal to the par value of the outstanding bonds to be held by the issuer multiplied by one thirty-fifth of one percent (.029%) for each month from the later of January 1, 2011 or the date of purchase of the extinguished bonds and continuing through the Closing Date.

.04 The TEB VCAP request must be submitted no later than December 31, 2012 under the operating procedures described in section 7.2.3 of the Internal Revenue Manual.

.05 Generally, a complete VCAP request will be processed and a closing agreement will be sent to the issuer for its execution within 45 days of the receipt of the complete submission. An issuer must submit payment, in accordance with the closing agreement, prior to returning the executed closing agreement to the IRS for its subsequent execution.

SECTION 3. DRAFTING INFORMATION

The principal author of this announcement is Sandra H. Westin of the IRS Office of Tax Exempt Bonds. For further information regarding this announcement, contact Sandra Westin at (415) 522–6065 (not a toll-free call).

Definition of Terms

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

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

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

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

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it applies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

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

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

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case, the previously published ruling is first modified and then, as modified, is superseded.

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

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

Abbreviations

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

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.
E.O.—Executive Order.
ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.
PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statement of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D. —Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z —Corporation.

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[1] A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2010–27 through 2010–52 is in Internal Revenue Bulletin 2010–52, dated December 27, 2010.

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