Internal Revenue bulletin

Bulletin No. 2013–49
December 2, 2013

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. 2013–24, page 594.

The "base period T-bill rate" for the period ending September 30, 2013, is published, as required by section 995(f) of the Code.

Rev. Proc. 2013–36, page 602.

The loss payment patterns and discount factors are set forth for the 2013 accident year. These factors will be used for computing discounted unpaid losses under § 846 of the Code.

Rev. Proc. 2013–37, page 612.

The salvage discount factors are set forth for the 2013 accident year. These factors will be used for computing discounted estimated salvage recoverable under § 832 of the Code.

EMPLOYEE PLANS

REG–120927–13, page 618.

These proposed regulations would clarify that amounts paid to an Indian tribe member as remuneration for services performed in a fishing rights-related activity may be treated as compensation for purposes of applying the limits on qualified plan benefits and contributions. These regulations would affect sponsors of, and participants in, employee benefit plans of Indian tribal governments. Comments are requested by February 13, 2014.

Notice 2013–73, page 598.

2014 cost-of-living adjustments; retirements plans, etc. This notice sets forth certain cost-of-living adjustments effective January 1, 2014, applicable to the dollar limitations on benefits and contributions under qualified retirement plans. Other limitations applicable to deferred compensation plans are also affected by these adjustments under § 415. Under § 415(d), the adjustments are to be made pursuant to adjustment procedures which are similar to those used to adjust benefit amounts under § 215(i)(2)(A) of the Social Security Act. This notice also contains cost-of-living adjustments for several pension-related amounts in restating the data in IR–2013–86 issued October 31, 2013.

Notice 2013–75, page 599.

Weighted average interest rate update; corporate bond indices; 30-year Treasury securities; segment rates. This notice contains updates for the corporate bond weighted average interest rate for plan years beginning in November 2013; the 24-month average segment rates; the funding segment rates applicable for November 2013; and the minimum present value rates for October 2013. The rates in this notice reflect certain changes implemented by the Moving Ahead for Progress in the 21st Century Act, Public Law 112–141 (MAP-21).

EXEMPT ORGANIZATIONS

Announcement 2013–48, page 620.

The IRS has revoked its determination that Corral of Comfort Horse Rescue, Inc. of Palmdale, CA., Positive Energy Foundation of Lincoln, CA., Rainy Day Foundation, Inc. of Washington, D.C., Sunrise Residential and Lifeskills Center of Cincinnati, OH., and Thunder Air Museum Inc, of Lancaster, CA., qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Code.

Announcements of Declaratory Judgement Proceedings Under Section 7428 are on pages 620 and 621.
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.

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.

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

Section 832.—Insurance Company Taxable Income

26 CFR 1.832–4: Gross Income. The salvage discount factors and payment patterns are set forth for 2013. These factors must be used to compute discounted estimated salvage recoverable for purposes of section 832 of the Code. See Rev. Proc. 2013–37, page 612.

Section 846.—Discounted Unpaid Losses Defined

26 CFR 1.846–1: Application of discount factors. The composite loss discount factors for Reinsurance (Nonproportional Assumed Property) published in Rev. Proc. 2013–36, page 602.

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26 CFR 1.846–1: Application of discount factors. The salvage discount factors and payment patterns are set forth for 2013. These factors must be used to compute discounted estimated salvage recoverable for purposes of section 832 of the Code. See Rev. Proc. 2013–37, page 612.

Section 995.—Taxation of DISC Income to Shareholders

2013 Base Period T-Bill Rate. The "base period T-bill rate" for the period ending September 30, 2013, is published as required by section 995(f) of the Code.

Rev. Rul. 2013–24

Section 995(f)(1) of the Internal Revenue Code provides that a shareholder of a DISC shall pay interest each taxable year in an amount equal to the product of the shareholder's DISC-related deferred tax liability for the year and the "base period T-bill rate." Under section 995(f)(4), the base period T-bill rate is the annual rate of interest determined by the Secretary to be equivalent to the average of the 1-year constant maturity Treasury yields, as published by the Board of Governors of the Federal Reserve System, for the 1-year period ending on September 30 of the calendar year ending with (or of the most recent calendar year ending before) the close of the taxable year of the shareholder. The base period T-bill rate for the period ending September 30, 2013, is 0.140 percent.

Pursuant to section 6222 of the Code, interest must be compounded daily. The table below provides factors for compounding the base period T-bill rate daily for any number of days in the shareholder's taxable year (including a 52–53 week accounting period) for the 2013 base period T-bill rate. To compute the amount of the interest charge for the shareholder's taxable year, multiply the amount of the shareholder's DISC-related deferred tax liability (as defined in section 995(f)(2)) for that year by the base period T-bill rate factor corresponding to the number of days in the shareholder's taxable year for which the interest charge is being computed. Generally, one would use the factor for 365 days. One would use a different factor only if the shareholder's taxable year for which the interest charge being determined is a short taxable year, if the shareholder uses the 52–53 week taxable year, or if the shareholder's taxable year is a leap year.

For the base period T-bill rates for the periods ending in prior years, see Rev. Rul. 2012–22, 2012–48 I.R.B. 565; Rev. Rul. 2011–30, 2011–49 I.R.B. 826; Rev. Rul. 2010–28, 2010–49 I.R.B. 804; Rev. Rul. 2009–36, 2009–47 I.R.B. 650; and Rev. Rul. 2008–51, 2008–2 C.B. 1171.

DRAFTING INFORMATION

The principal author of this revenue ruling is Teresa Burridge Hughes of the Office of Associate Chief Counsel (International). For further information regarding this revenue ruling, contact Ms. Hughes at (202) 317-6936 (not a toll-free call).

ANNUAL RATE, COMPOUNDED DAILY

0.140 PERCENT

DAYS	FACTOR
1	.000003836
2	.000007671
3	.000011507
4	.000015343
5	.000019178
6	.000023014
7	.000026850
8	.000030685
9	.000034521
10	.000038357
11	.000042193
12	.000046028
13	.000049864
14	.000053700
15	.000057536
16	.000061372
17	.000065207
18	.000069043
19	.000072879
20	.000076715
21	.000080551
22	.000084387
23	.000088223
24	.000092059
25	.000095895
26	.000099731
27	.000103567
28	.000107403
29	.000111239
30	.000115075
31	.000118911
32	.000122747
33	.000126583
34	.000130419
35	.000134255

ANNUAL RATE, COMPOUNDED DAILY 0.140 PERCENT DAYS	FACTOR	ANNUAL RATE, COMPOUNDED DAILY 0.140 PERCENT DAYS	FACTOR	ANNUAL RATE, COMPOUNDED DAILY 0.140 PERCENT DAYS	FACTOR
36	.000138091	76	.000291549	116	.000445030
37	.000141928	77	.000295386	117	.000448867
38	.000145764	78	.000299222	118	.000452704
39	.000149600	79	.000303059	119	.000456542
40	.000153436	80	.000306896	120	.000460379
41	.000157272	81	.000310733	121	.000464216
42	.000161109	82	.000314569	122	.000468054
43	.000164945	83	.000318406	123	.000471891
44	.000168781	84	.000322243	124	.000475729
45	.000172617	85	.000326080	125	.000479566
46	.000176454	86	.000329917	126	.000483404
47	.000180290	87	.000333754	127	.000487241
48	.000184126	88	.000337591	128	.000491079
49	.000187963	89	.000341427	129	.000494916
50	.000191799	90	.000345264	130	.000498754
51	.000195635	91	.000349101	131	.000502591
52	.000199472	92	.000352938	132	.000506429
53	.000203308	93	.000356775	133	.000510266
54	.000207144	94	.000360612	134	.000514104
55	.000210981	95	.000364449	135	.000517941
56	.000214817	96	.000368286	136	.000521779
57	.000218654	97	.000372123	137	.000525617
58	.000222490	98	.000375960	138	.000529454
59	.000226327	99	.000379797	139	.000533292
60	.000230163	100	.000383634	140	.000537129
61	.000234000	101	.000387472	141	.000540967
62	.000237836	102	.000391309	142	.000544805
63	.000241673	103	.000395146	143	.000548643
64	.000245509	104	.000398983	144	.000552480
65	.000249346	105	.000402820	145	.000556318
66	.000253182	106	.000406657	146	.000560156
67	.000257019	107	.000410494	147	.000563994
68	.000260855	108	.000414332	148	.000567831
69	.000264692	109	.000418169	149	.000571669
70	.000268529	110	.000422006	150	.000575507
71	.000272365	111	.000425843	151	.000579345
72	.000276202	112	.000429681	152	.000583183
73	.000280039	113	.000433518	153	.000587020
74	.000283875	114	.000437355	154	.000590858
75	.000287712	115	.000441192	155	.000594696

ANNUAL RATE, COMPOUNDED DAILY 0.140 PERCENT		ANNUAL RATE, COMPOUNDED DAILY 0.140 PERCENT		ANNUAL RATE, COMPOUNDED DAILY 0.140 PERCENT	
DAYS	FACTOR	DAYS	FACTOR	DAYS	FACTOR
156	.000598534	196	.000752062	236	.000905614
157	.000602372	197	.000755901	237	.000909453
158	.000606210	198	.000759739	238	.000913292
159	.000610048	199	.000763578	239	.000917131
160	.000613886	200	.000767416	240	.000920970
161	.000617724	201	.000771255	241	.000924809
162	.000621562	202	.000775093	242	.000928648
163	.000625400	203	.000778932	243	.000932488
164	.000629238	204	.000782770	244	.000936327
165	.000633076	205	.000786609	245	.000940166
166	.000636914	206	.000790448	246	.000944005
167	.000640752	207	.000794286	247	.000947844
168	.000644590	208	.000798125	248	.000951684
169	.000648428	209	.000801964	249	.000955523
170	.000652266	210	.000805802	250	.000959362
171	.000656104	211	.000809641	251	.000963201
172	.000659942	212	.000813480	252	.000967041
173	.000663781	213	.000817319	253	.000970880
174	.000667619	214	.000821157	254	.000974719
175	.000671457	215	.000824996	255	.000978559
176	.000675295	216	.000828835	256	.000982398
177	.000679133	217	.000832674	257	.000986238
178	.000682972	218	.000836512	258	.000990077
179	.000686810	219	.000840351	259	.000993916
180	.000690648	220	.000844190	260	.000997756
181	.000694486	221	.000848029	261	.001001595
182	.000698325	222	.000851868	262	.001005435
183	.000702163	223	.000855707	263	.001009274
184	.000706001	224	.000859546	264	.001013114
185	.000709839	225	.000863385	265	.001016953
186	.000713678	226	.000867223	266	.001020793
187	.000717516	227	.000871062	267	.001024632
188	.000721355	228	.000874901	268	.001028472
189	.000725193	229	.000878740	269	.001032311
190	.000729031	230	.000882579	270	.001036151
191	.000732870	231	.000886418	271	.001039990
192	.000736708	232	.000890257	272	.001043830
193	.000740547	233	.000894096	273	.001047670
194	.000744385	234	.000897935	274	.001051509
195	.000748224	235	.000901774	275	.001055349

ANNUAL RATE, COMPOUNDED DAILY 0.140 PERCENT DAYS	FACTOR
276	.001059189
277	.001063028
278	.001066868
279	.001070708
280	.001074547
281	.001078387
282	.001082227
283	.001086067
284	.001089906
285	.001093746
286	.001097586
287	.001101426
288	.001105266
289	.001109106
290	.001112945
291	.001116785
292	.001120625
293	.001124465
294	.001128305
295	.001132145
296	.001135985
297	.001139825
298	.001143665
299	.001147505
300	.001151345
301	.001155185
302	.001159025
303	.001162865
304	.001166705
305	.001170545
306	.001174385
307	.001178226
308	.001182066
309	.001185906
310	.001189746

ANNUAL RATE, COMPOUNDED DAILY 0.140 PERCENT DAYS	FACTOR
311	.001193586
312	.001197426
313	.001201267
314	.001205107
315	.001208947
316	.001212787
317	.001216628
318	.001220468
319	.001224308
320	.001228148
321	.001231989
322	.001235829
323	.001239669
324	.001243510
325	.001247350
326	.001251191
327	.001255031
328	.001258871
329	.001262712
330	.001266552
331	.001270393
332	.001274233
333	.001278074
334	.001281914
335	.001285755
336	.001289595
337	.001293436
338	.001297277
339	.001301117
340	.001304958
341	.001308798
342	.001312639
343	.001316480
344	.001320320
345	.001324161

ANNUAL RATE, COMPOUNDED DAILY 0.140 PERCENT DAYS	FACTOR
346	.001328002
347	.001331842
348	.001335683
349	.001339524
350	.001343365
351	.001347205
352	.001351046
353	.001354887
354	.001358728
355	.001362569
356	.001366410
357	.001370250
358	.001374091
359	.001377932
360	.001381773
361	.001385614
362	.001389455
363	.001393296
364	.001397137
365	.001400978
366	.001404819
367	.001408660
368	.001412501
369	.001416342
370	.001420183
371	.001424024

Part III. Administrative, Procedural, and Miscellaneous

2014 Limitations Adjusted As Provided in Section 415(d), etc.[1]

Notice 2013–73

Section 415 of the Internal Revenue Code (the Code) provides for dollar limitations on benefits and contributions under qualified retirement plans. Section 415(d) requires that the Secretary of the Treasury annually adjust these limits for cost-of-living increases. Other limitations applicable to deferred compensation plans are also affected by these adjustments under § 415. Under § 415(d), the adjustments are to be made pursuant to adjustment procedures which are similar to those used to adjust benefit amounts under § 215(i)(2)(A) of the Social Security Act.

Cost-of-Living Adjusted Limits for 2014

Effective January 1, 2014, the limitation on the annual benefit under a defined benefit plan under § 415(b)(1)(A) is increased from $205,000 to $210,000.

For a participant who separated from service before January 1, 2014, the participant's limitation under a defined benefit plan under § 415(b)(1)(B) is computed by multiplying the participant's compensation limitation, as adjusted through 2013, by 1.0155.

The limitation for defined contribution plans under § 415(c)(1)(A) is increased in 2014 from $51,000 to $52,000.

The Code provides that various other dollar amounts are to be adjusted at the same time and in the same manner as the dollar limitation of § 415(b)(1)(A). After taking into account the applicable rounding rules, the amounts for 2014 are as follows:

The limitation under § 402(g)(1) on the exclusion for elective deferrals described in § 402(g)(3) remains unchanged at $17,500.

The annual compensation limit under §§ 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) is increased from $255,000 to $260,000.

The dollar limitation under § 416(i)(1)(A)(i) concerning the definition of key employee in a top-heavy plan is increased from $165,000 to $170,000.

The dollar amount under § 409(o)(1)(C)(ii) for determining the maximum account balance in an employee stock ownership plan subject to a 5-year distribution period is increased from $1,035,000 to $1,050,000, while the dollar amount used to determine the lengthening of the 5-year distribution period is increased from $205,000 to $210,000.

The limitation used in the definition of highly compensated employee under § 414(q)(1)(B) remains unchanged at $115,000.

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

The annual compensation limitation under § 401(a)(17) for eligible participants in certain governmental plans that, under the plan as in effect on July 1, 1993, allowed cost-of-living adjustments to the compensation limitation under the plan under § 401(a)(17) to be taken into account, is increased from $380,000 to $385,000.

The compensation amount under § 408(k)(2)(C) regarding simplified employee pensions (SEPs) remains unchanged at $550.

The limitation under § 408(p)(2)(E) regarding SIMPLE retirement accounts remains unchanged at $12,000.

The limitation on deferrals under § 457(e)(15) concerning deferred compensation plans of state and local governments and tax-exempt organizations remains unchanged at $17,500.

The compensation amounts under § 1.61-21(f)(5)(i) of the Income Tax Regulations concerning the definition of "control employee" for fringe benefit valuation purposes is increased from $100,000 to $105,000. The compensation amount under § 1.61-21(f)(5)(iii) is increased from $205,000 to $210,000.

The Code also provides that several pension-related amounts are to be adjusted using the cost-of-living adjustment under § 1(f)(3). After taking the applicable rounding rules into account, the amounts for 2014 are as follows:

The adjusted gross income limitation under § 25B(b)(1)(A) for determining the retirement savings contribution credit for taxpayers filing a joint return is increased from $35,500 to $36,000; the limitation under § 25B(b)(1)(B) is increased from $38,500 to $39,000; and the limitation under §§ 25B(b)(1)(C) and 25B(b)(1)(D) is increased from $59,000 to $60,000.

The adjusted gross income limitation under § 25B(b)(1)(A) for determining the retirement savings contribution credit for taxpayers filing as head of household is increased from $26,625 to $27,000; the limitation under § 25B(b)(1)(B) is increased from $28,875 to $29,250; and the limitation under §§ 25B(b)(1)(C) and 25B(b)(1)(D) is increased from $44,250 to $45,000.

The adjusted gross income limitation under § 25B(b)(1)(A) for determining the retirement savings contribution credit for all other taxpayers is increased from $17,750 to $18,000; the limitation under § 25B(b)(1)(B) is increased from $19,250 to $19,500; and the limitation under §§ 25B(b)(1)(C) and 25B(b)(1)(D) is increased from $29,500 to $30,000.

The deductible amount under § 219(b)(5)(A) for an individual making qualified retirement contributions remains unchanged at $5,500.

The applicable dollar amount under § 219(g)(3)(B)(i) for determining the deductible amount of an IRA contribution for taxpayers who are active participants filing a joint return or as a qualifying widow(er) is increased from $95,000 to $96,000. The applicable dollar amount under § 219(g)(3)(B)(ii) for all other taxpayers (other than married taxpayers filing separate returns) is increased from $59,000 to $60,000. The applicable dollar amount under § 219(g)(3)(B)(iii) for a married individual filing a separate return is not subject to the annual cost-of-living adjustment and re-

[1]Based on News Release IR-2013-86 dated October 31, 2013

mains $0. The applicable dollar amount under § 219(g)(7)(A) for a taxpayer who is not an active participant but whose spouse is an active participant is increased from $178,000 to $181,000.

The adjusted gross income limitation under § 408A(c)(3)(B)(ii)(I) for determining the maximum Roth IRA contribution for married taxpayers filing a joint return or for taxpayers filing as a qualifying widow(er) is increased from $178,000 to $181,000. The adjusted gross income limitation under § 408A(c)(3)(B)(ii)(II) for all other taxpayers (other than married taxpayers filing separate returns) is increased from $112,000 to $114,000. The applicable dollar amount under § 408A(c)(3)(B)(ii)(III) for a married individual filing a separate return is not subject to an annual cost-of-living adjustment and remains $0.

The dollar amount under § 430(c)(7)(D)(i)(II) used to determine excess employee compensation with respect to a single-employer defined benefit pension plan for which the special election under § 430(c)(2)(D) has been made is increased from $1,066,000 to $1,084,000.

Drafting Information

The principal author of this notice is John Heil of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding the data in this notice, please contact the Employee Plans' taxpayer assistance telephone service at 1-877-829-5500 (a toll-free call) between the hours of 8:30 a.m. and 4:30 p.m. Eastern time Monday through Friday. For information regarding the methodology used in arriving at the data in this notice, please e-mail Mr. Heil at *RetirementPlanQuestions@irs.gov*.

Update for Weighted Average Interest Rates, Yield Curves, and Segment Rates

Notice 2013–75

This notice provides guidance on the corporate bond monthly yield curve (and the corresponding spot segment rates), and the 24-month average segment rates under § 430(h)(2) of the Internal Revenue Code. In addition, this notice provides guidance as to the interest rate on 30-year Treasury securities under § 417(e)(3)(A)(ii)(II) as in effect for plan years beginning before 2008, the 30-year Treasury weighted average rate under § 431(c)(6)(E)(ii)(I), and the minimum present value segment rates under § 417(e)(3)(D) as in effect for plan years beginning after 2007. These rates reflect certain changes implemented by the Moving Ahead for Progress in the 21st Century Act, Public Law 112–141 (MAP-21). MAP-21 provides that for purposes of § 430(h)(2), the segment rates are limited by the applicable maximum percentage or the applicable minimum percentage based on the average of segment rates over a 25 year period.

YIELD CURVE AND SEGMENT RATES

Generally, except for certain plans under sections 104 and 105 of the Pension Protection Act of 2006, § 430 of the Code specifies the minimum funding requirements that apply to single employer plans pursuant to § 412. Section 430(h)(2) specifies the interest rates that must be used to determine a plan's target normal cost and funding target. Under this provision, present value is generally determined using three 24-month average interest rates ("segment rates"), each of which applies to cash flows during specified periods. To the extent provided under § 430(h)(2)(C)(iv), these segment rates are adjusted by the applicable percentage of the 25-year average segment rates for the period ending September 30 of the year preceding the calendar year in which the plan year begins. However, an election may be made under § 430(h)(2)(D)(ii) to use the monthly yield curve in place of the segment rates.

Notice 2007–81, 2007–44 I.R.B. 899, provides guidelines for determining the monthly corporate bond yield curve, and the 24-month average corporate bond segment rates used to compute the target normal cost and the funding target. Pursuant to Notice 2007–81, the monthly corporate bond yield curve derived from October 2013 data is in Table I at the end of this notice. The spot first, second, and third segment rates for the month of October 2013 are, respectively, 1.24, 4.47, and 5.52. For plan years beginning on or after January 1, 2012, the 24-month average segment rates determined under § 430(h)(2)(C)(iv) must be adjusted by the applicable percentage of the corresponding 25-year average segment rates. The 25-year average segment rates for plan years beginning in 2012, 2013, and 2014 were published in Notice 2012–55, 2012–36 I.R.B. 332, Notice 2013–11, 2013–11 I.R.B. 610, and Notice 2013–58, 2013–40 I.R.B. 294, respectively. The three 24-month average corporate bond segment rates applicable for November 2013 without adjustment, and the adjusted 24-month average segment rates taking into account the applicable percentages of the corresponding 25-year average segment rates, are as follows:

For Plan Years Beginning In	Applicable Month		24-Month Average Segment Rates Not Adjusted			Adjusted 24-Month Average Segment Rates, Based on Applicable Percentage of 25-Year Average Rates		
			First Segment	Second Segment	Third Segment	First Segment	Second Segment	Third Segment
2012	November	2013	1.31	4.05	5.05	5.54	6.85	7.52
2013	November	2013	1.31	4.05	5.05	4.94	6.15	6.76
2014	November	2013	1.31	4.05	5.05	4.43	5.62	6.22

30-YEAR TREASURY SECURITIES INTEREST RATES

Generally for plan years beginning after 2007, § 431 specifies the minimum funding requirements that apply to multiemployer plans pursuant to § 412. Section 431(c)(6)(B) specifies a minimum amount for the full-funding limitation described in section 431(c)(6)(A), based on the plan's current liability. Section 431(c)(6)(E)(ii)(I) provides that the interest rate used to calculate current liability for this purpose must be no more than 5 percent above and no more than 10 percent below the weighted average of the rates of interest on 30-year Treasury securities during the four-year period ending on the last day before the beginning of the plan year. Notice 88–73, 1988–2 C.B. 383, provides guidelines for determining the weighted average interest rate. The rate of interest on 30-year Treasury securities for October 2013 is 3.68 percent. The Service has determined this rate as the average of the daily determinations of yield on the 30-year Treasury bond maturing in August 2043. The following rates were determined for plan years beginning in the month shown below.

For Plan Years Beginning in		30-Year Treasury Weighted	Permissible Range		
Month	*Year*	Average	90%	to	105%
November	2013	3.45	3.10		3.62

MINIMUM PRESENT VALUE SEGMENT RATES

In general, the applicable interest rates under § 417(e)(3)(D) are segment rates computed without regard to a 24-month average. Notice 2007–81 provides guidelines for determining the minimum present value segment rates. Pursuant to that notice, the minimum present value segment rates determined for October 2013 are as follows:

First Segment	Second Segment	Third Segment
1.24	4.47	5.52

DRAFTING INFORMATION

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Table I
Monthly Yield Curve for October 2013
Derived from October 2013 Data

Maturity	*Yield*	*Maturity*	*Yield*	*Maturity*	*Yield*	*Maturity*	*Yield*	*Maturity*	*Yield*
0.5	0.33	20.5	5.29	40.5	5.55	60.5	5.65	80.5	5.70
1.0	0.49	21.0	5.30	41.0	5.55	61.0	5.65	81.0	5.70
1.5	0.67	21.5	5.31	41.5	5.56	61.5	5.65	81.5	5.70
2.0	0.86	22.0	5.32	42.0	5.56	62.0	5.65	82.0	5.70
2.5	1.08	22.5	5.33	42.5	5.57	62.5	5.66	82.5	5.70
3.0	1.31	23.0	5.34	43.0	5.57	63.0	5.66	83.0	5.70
3.5	1.55	23.5	5.35	43.5	5.57	63.5	5.66	83.5	5.70
4.0	1.80	24.0	5.36	44.0	5.57	64.0	5.66	84.0	5.70
4.5	2.04	24.5	5.37	44.5	5.58	64.5	5.66	84.5	5.71
5.0	2.28	25.0	5.37	45.0	5.58	65.0	5.66	85.0	5.71
5.5	2.52	25.5	5.38	45.5	5.58	65.5	5.66	85.5	5.71
6.0	2.75	26.0	5.39	46.0	5.59	66.0	5.67	86.0	5.71
6.5	2.98	26.5	5.40	46.5	5.59	66.5	5.67	86.5	5.71
7.0	3.19	27.0	5.41	47.0	5.59	67.0	5.67	87.0	5.71
7.5	3.40	27.5	5.41	47.5	5.59	67.5	5.67	87.5	5.71
8.0	3.59	28.0	5.42	48.0	5.60	68.0	5.67	88.0	5.71
8.5	3.77	28.5	5.43	48.5	5.60	68.5	5.67	88.5	5.71
9.0	3.93	29.0	5.43	49.0	5.60	69.0	5.67	89.0	5.71
9.5	4.09	29.5	5.44	49.5	5.60	69.5	5.67	89.5	5.71
10.0	4.23	30.0	5.45	50.0	5.61	70.0	5.68	90.0	5.71
10.5	4.36	30.5	5.45	50.5	5.61	70.5	5.68	90.5	5.71
11.0	4.47	31.0	5.46	51.0	5.61	71.0	5.68	91.0	5.72
11.5	4.58	31.5	5.47	51.5	5.61	71.5	5.68	91.5	5.72
12.0	4.67	32.0	5.47	52.0	5.62	72.0	5.68	92.0	5.72
12.5	4.76	32.5	5.48	52.5	5.62	72.5	5.68	92.5	5.72
13.0	4.83	33.0	5.48	53.0	5.62	73.0	5.68	93.0	5.72
13.5	4.90	33.5	5.49	53.5	5.62	73.5	5.68	93.5	5.72
14.0	4.96	34.0	5.49	54.0	5.63	74.0	5.69	94.0	5.72
14.5	5.01	34.5	5.50	54.5	5.63	74.5	5.69	94.5	5.72
15.0	5.05	35.0	5.50	55.0	5.63	75.0	5.69	95.0	5.72
15.5	5.09	35.5	5.51	55.5	5.63	75.5	5.69	95.5	5.72
16.0	5.12	36.0	5.51	56.0	5.63	76.0	5.69	96.0	5.72
16.5	5.15	36.5	5.52	56.5	5.63	76.5	5.69	96.5	5.72
17.0	5.18	37.0	5.52	57.0	5.64	77.0	5.69	97.0	5.72
17.5	5.20	37.5	5.53	57.5	5.64	77.5	5.69	97.5	5.72
18.0	5.22	38.0	5.53	58.0	5.64	78.0	5.69	98.0	5.72
18.5	5.24	38.5	5.54	58.5	5.64	78.5	5.69	98.5	5.73
19.0	5.25	39.0	5.54	59.0	5.64	79.0	5.70	99.0	5.73
19.5	5.27	39.5	5.54	59.5	5.65	79.5	5.70	99.5	5.73
20.0	5.28	40.0	5.55	60.0	5.65	80.0	5.70	100.0	5.73

26 CFR 601.201: Rulings and determination letters. *(Also: Part I, Sections 846; 1.846-1.)*

Rev. Proc. 2013–36

SECTION 1. PURPOSE

This revenue procedure prescribes the loss payment patterns and discount factors for the 2013 accident year. These factors will be used to compute discounted unpaid losses under § 846 of the Internal Revenue Code. *See* Rev. Proc. 2012–44, 2012–49 I.R.B. 645, for background concerning the loss payment patterns and application of the discount factors.

SECTION 2. SCOPE

This revenue procedure applies to any taxpayer that is required to discount unpaid losses under § 846 for a line of business using the discount factors published by the Secretary.

SECTION 3. TABLES OF DISCOUNT FACTORS

.01 The following tables present separately for each line of business the discount factors under § 846 for accident year 2013. All the discount factors presented in this section were determined using the applicable interest rate under § 846(c) for 2013, which is 2.16 percent, and by assuming all loss payments occur in the middle of the calendar year.

.02 If the groupings of individual lines of business on the annual statement change, taxpayers must discount unpaid losses on the resulting line of business in accordance with the discounting patterns that would have applied to those unpaid losses based on their classification on the 2010 annual statement. *See* Rev. Proc. 2012–44, 2012–49 I.R.B. 645, section 2, for additional background on discounting under § 846 and the use of the Secretary's tables.

.03 Section V of Notice 88–100, 1988–2 C.B. 439, sets forth a composite method for computing discounted unpaid losses for accident years that are not separately reported on the annual statement. The tables separately provide discount factors for taxpayers who elect to use the composite method of section V of Notice 88–100. *See* Rev. Proc. 2002–74, 2002–2 C.B. 980.

.04 Tables.

Accident and Health (Other Than Disability Income or Credit Disability Insurance)

Taxpayers that do not use the composite method of Notice 88–100 should use 98.9372 percent to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the 2013 and later taxable years.

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount all unpaid losses in this line of business that are outstanding at the end of the 2013 taxable year.

Auto Physical Damage

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	90.2657	90.2657	9.7343	9.6230	98.8565
2014	99.7478	9.4822	0.2522	0.2469	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2015 and later years		0.1261	0.1261	0.1247	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2015 taxable year.

Commercial Auto/Truck Liability/Medical

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	25.7034	25.7034	74.2966	70.9382	95.4798
2014	48.2664	22.5629	51.7336	49.6652	96.0017
2015	67.8834	19.6171	32.1166	30.9101	96.2436
2016	82.0630	14.1795	17.9370	17.2459	96.1471
2017	90.4161	8.3532	9.5839	9.1756	95.7395
2018	94.6293	4.2132	5.3707	5.1153	95.2448
2019	97.0203	2.3910	2.9797	2.8092	94.2754
2020	98.2283	1.2081	1.7717	1.6488	93.0643
2021	98.6653	0.4370	1.3347	1.2428	93.1103
2022	98.8635	0.1982	1.1365	1.0692	94.0830

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		0.1982	0.9382	0.8920	95.0674
2024		0.1982	0.7400	0.7108	96.0618
2025		0.1982	0.5417	0.5258	97.0618
2026		0.1982	0.3435	0.3368	98.0526
2027 and later years		0.1982	0.1453	0.1437	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 95.2133 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Composite

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	39.5281	39.5281	60.4719	56.8797	94.0596
2014	62.0267	22.4986	37.9733	35.3680	93.1390
2015	73.7017	11.6750	26.2983	24.3315	92.5211
2016	80.0846	6.3830	19.9154	18.4055	92.4188
2017	85.7818	5.6971	14.2182	13.0448	91.7468
2018	90.2809	4.4992	9.7191	8.7791	90.3280
2019	91.9588	1.6778	8.0412	7.2728	90.4439
2020	92.9722	1.0134	7.0278	6.4056	91.1463
2021	94.0835	1.1113	5.9165	5.4207	91.6201
2022	94.7469	0.6634	5.2531	4.8673	92.6551

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		0.6634	4.5898	4.3020	93.7289
2024		0.6634	3.9264	3.7244	94.8545
2025		0.6634	3.2631	3.1344	96.0555
2026		0.6634	2.5997	2.5316	97.3791
2027 and later years		0.6634	1.9364	1.9158	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 94.0296 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Fidelity/Surety

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	22.8449	22.8449	77.1551	74.9598	97.1547
2014	55.8585	33.0137	44.1415	43.2107	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2015 and later years		22.0707	22.0707	21.8362	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2015 taxable year.

Financial Guaranty/Mortgage Guaranty

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	6.2515	6.2515	93.7485	90.9767	97.0433
2014	43.0154	36.7639	56.9846	55.7829	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2015 and later years		28.4923	28.4923	28.1895	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2015 taxable year.

International (Composite)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	39.5281	39.5281	60.4719	56.8797	94.0596
2014	62.0267	22.4986	37.9733	35.3680	93.1390
2015	73.7017	11.6750	26.2983	24.3315	92.5211
2016	80.0846	6.3830	19.9154	18.4055	92.4188
2017	85.7818	5.6971	14.2182	13.0448	91.7468
2018	90.2809	4.4992	9.7191	8.7791	90.3280
2019	91.9588	1.6778	8.0412	7.2728	90.4439
2020	92.9722	1.0134	7.0278	6.4056	91.1463
2021	94.0835	1.1113	5.9165	5.4207	91.6201
2022	94.7469	0.6634	5.2531	4.8673	92.6551

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		0.6634	4.5898	4.3020	93.7289
2024		0.6634	3.9264	3.7244	94.8545
2025		0.6634	3.2631	3.1344	96.0555
2026		0.6634	2.5997	2.5316	97.3791
2027 and later years		0.6634	1.9364	1.9158	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 94.0296 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Medical Professional Liability — Claims-Made

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	6.3462	6.3462	93.6538	87.5287	93.4599
2014	23.0958	16.7496	76.9042	72.4898	94.2599
2015	41.6827	18.5868	58.3173	55.2691	94.7729
2016	56.5267	14.8440	43.4733	41.4594	95.3674
2017	71.2882	14.7615	28.7118	27.4348	95.5524
2018	82.3023	11.0141	17.6977	16.8950	95.4643
2019	86.5143	4.2120	13.4857	13.0027	96.4182
2020	91.1422	4.6279	8.8578	8.6059	97.1564
2021	94.8664	3.7242	5.1336	5.0276	97.9351
2022	97.5408	2.6745	2.4592	2.4330	98.9372

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023 and later years		2.4592	–	–	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Medical Professional Liability — Occurrence

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	1.2044	1.2044	98.7956	89.1257	90.2122
2014	4.3376	3.1332	95.6624	87.8839	91.8688
2015	11.8161	7.4785	88.1839	82.2234	93.2408
2016	24.7088	12.8928	75.2912	70.9681	94.2583
2017	42.3863	17.6774	57.6137	54.6337	94.8276
2018	57.1600	14.7738	42.8400	40.8813	95.4281
2019	68.9797	11.8196	31.0203	29.8178	96.1234
2020	82.4247	13.4450	17.5753	16.8724	96.0006
2021	86.7084	4.2837	13.2916	12.9071	97.1073
2022	91.6701	4.9617	8.3299	8.1709	98.0913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023 and later years		4.9617	3.3683	3.3325	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 95.3404 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Miscellaneous Casualty

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	69.0731	69.0731	30.9269	30.1469	97.4781
2014	85.5169	16.4438	14.4831	14.1777	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2015 and later years		7.2415	7.2415	7.1646	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2015 taxable year.

Multiple Peril Lines (Homeowners/Farmowners, Commercial Multiple Peril, and Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery))

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	60.9719	60.9719	39.0281	37.4939	96.0690
2014	82.9059	21.9341	17.0941	16.1341	94.3843
2015	89.2783	6.3724	10.7217	10.0417	93.6585
2016	91.5605	2.2822	8.4395	7.9519	94.2233
2017	94.4255	2.8649	5.5745	5.2280	93.7836
2018	96.5899	2.1644	3.4101	3.1532	92.4675
2019	97.6023	1.0124	2.3977	2.1980	91.6740
2020	98.0034	0.4011	1.9966	1.8402	92.1637
2021	98.3410	0.3376	1.6590	1.5387	92.7462
2022	98.5727	0.2317	1.4273	1.3378	93.7231

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		0.2317	1.1957	1.1325	94.7155
2024		0.2317	0.9640	0.9228	95.7250
2025		0.2317	0.7324	0.7086	96.7547
2026		0.2317	0.5007	0.4898	97.8131
2027 and later years		0.2317	0.2691	0.2662	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 94.5541 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Other (Including Credit)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	54.6589	54.6589	45.3411	44.3679	97.8536
2014	84.2314	29.5725	15.7686	15.4360	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2015 and later years		7.8843	7.8843	7.8005	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2015 taxable year.

Other Liability — Claims-Made

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	7.4270	7.4270	92.5730	86.1238	93.0334
2014	25.2808	17.8538	74.7192	69.9385	93.6018
2015	44.2108	18.9301	55.7892	52.3158	93.7741
2016	56.4956	12.2848	43.5044	41.0291	94.3102
2017	69.2838	12.7883	30.7162	28.9897	94.3793
2018	77.6662	8.3823	22.3338	21.1435	94.6702
2019	83.1572	5.4910	16.8428	16.0502	95.2940
2020	88.1777	5.0205	11.8223	11.3225	95.7717
2021	93.1315	4.9539	6.8685	6.5599	95.5080
2022	92.9490	-0.1826	7.0510	6.8862	97.6617

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		3.2639	3.7871	3.7359	98.6482
2024 and later years		3.2639	0.5232	0.5176	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.6406 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Other Liability — Occurrence

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	10.0721	10.0721	89.9279	82.0100	91.1953
2014	24.3995	14.3274	75.6005	69.3001	91.6662
2015	37.3366	12.9372	62.6634	57.7208	92.1126
2016	52.4142	15.0776	47.5858	43.7280	91.8931
2017	64.3437	11.9295	35.6563	32.6149	91.4704
2018	73.7950	9.4512	26.2050	23.7667	90.6950
2019	79.7756	5.9807	20.2244	18.2351	90.1640
2020	84.0963	4.3206	15.9037	14.2619	89.6766
2021	85.6878	1.5915	14.3122	12.9614	90.5616
2022	86.9224	1.2346	13.0776	11.9935	91.7100

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		1.2346	11.8431	11.0047	92.9213
2024		1.2346	10.6085	9.9946	94.2131
2025		1.2346	9.3740	8.9627	95.6125
2026		1.2346	8.1394	7.9085	97.1626
2027 and later years		1.2346	6.9048	6.8314	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 92.9062 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Private Passenger Auto Liability/Medical

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	42.9881	42.9881	57.0119	55.1883	96.8013
2014	71.9931	29.0051	28.0069	27.0637	96.6325
2015	84.8250	12.8318	15.1750	14.6786	96.7288
2016	92.3500	7.5251	7.6500	7.3898	96.5989
2017	96.2665	3.9165	3.7335	3.5908	96.1796
2018	97.9880	1.7214	2.0120	1.9284	95.8467
2019	98.7958	0.8078	1.2042	1.1536	95.7990
2020	99.2445	0.4487	0.7555	0.7250	95.9639
2021	99.4543	0.2097	0.5457	0.5287	96.8694
2022	99.6370	0.1827	0.3630	0.3554	97.8984

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023 and later years		0.1827	0.1803	0.1783	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Products Liability — Claims-Made

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	4.5270	4.5270	95.4730	86.4950	90.5963
2014	16.0134	11.4865	83.9866	76.7534	91.3877
2015	45.1313	29.1179	54.8687	48.9807	89.2688
2016	39.2459	-5.8854	60.7541	55.9873	92.1539
2017	44.8357	5.5898	55.1643	51.5467	93.4422
2018	72.1615	27.3258	27.8385	25.0408	89.9502
2019	80.4448	8.2834	19.5552	17.2094	88.0042
2020	73.2957	-7.1491	26.7043	24.8070	92.8952
2021	87.4824	14.1866	12.5176	11.0038	87.9062
2022	87.7500	0.2677	12.2500	10.9709	89.5588

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		0.2677	11.9823	10.9374	91.2792
2024		0.2677	11.7147	10.9031	93.0721
2025		0.2677	11.4470	10.8680	94.9424
2026		0.2677	11.1793	10.8323	96.8954
2027 and later years		0.2677	10.9117	10.7957	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 93.5799 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Products Liability – Occurrence

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	7.1936	7.1936	92.8064	83.6839	90.1704
2014	16.9555	9.7619	83.0445	75.6247	91.0653
2015	28.3624	11.4069	71.6376	65.7288	91.7518
2016	39.7945	11.4321	60.2055	55.5936	92.3397
2017	54.3906	14.5961	45.6094	42.0415	92.1773
2018	60.9060	6.5154	39.0940	36.3642	93.0174
2019	67.7760	6.8700	32.2240	30.2059	93.7373
2020	75.7119	7.9359	24.2881	22.8372	94.0263
2021	79.5966	3.8847	20.4034	19.4040	95.1021
2022	83.9430	4.3464	16.0570	15.4301	96.0957

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		4.3464	11.7107	11.3703	97.0940
2024		4.3464	7.3643	7.2229	98.0799
2025 and later years		4.3464	3.0179	2.9859	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 97.2932 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Reinsurance — Nonproportional Assumed Property

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	20.1003	20.1003	79.8997	76.5081	95.7551
2014	59.2833	39.1830	40.7167	38.5567	94.6950
2015	73.0867	13.8034	26.9133	25.4378	94.5177
2016	80.3675	7.2808	19.6325	18.6282	94.8848
2017	87.7278	7.3603	12.2722	11.5912	94.4514
2018	94.4454	6.7175	5.5546	5.0519	90.9495
2019	96.5143	2.0689	3.4857	3.0699	88.0707
2020	97.9468	1.4326	2.0532	1.6883	82.2272
2021	97.4560	-0.4909	2.5440	2.2209	87.2972
2022	97.0652	-0.3908	2.9348	2.6638	90.7662

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		0.1836	2.7512	2.5358	92.1696
2024		0.1836	2.5675	2.4049	93.6659
2025		0.1836	2.3839	2.2713	95.2743
2026		0.1836	2.2003	2.1347	97.0199
2027 and later years		0.1836	2.0166	1.9952	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 91.9206 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Reinsurance — Nonproportional Assumed Liability

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	3.4987	3.4987	96.5013	87.1418	90.3012
2014	23.2170	19.7183	76.7830	69.0940	89.9860
2015	43.7483	20.5313	56.2517	49.8346	88.5920
2016	38.9131	-4.8352	61.0869	55.7981	91.3422
2017	47.9298	9.0167	52.0702	47.8898	91.9715
2018	80.0315	32.1017	19.9685	16.4777	82.5182
2019	76.5053	-3.5292	23.4947	20.3977	86.8180
2020	78.1701	1.6649	21.8299	19.1555	87.7491
2021	80.0717	1.9015	19.9283	17.6473	88.5539
2022	79.8791	-0.1926	20.1209	18.2231	90.5681

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		1.1246	18.9963	17.4801	92.0183
2024		1.1246	17.8717	16.7210	93.5611
2025		1.1246	16.7471	15.9455	95.2132
2026		1.1246	15.6225	15.1532	96.9959
2027 and later years		1.1246	14.4979	14.3438	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 91.9297 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Reinsurance — Nonproportional Assumed Financial Lines

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	1.5423	1.5423	98.4577	91.0796	92.5063
2014	20.9273	19.3850	79.0727	73.4537	92.8939
2015	30.4705	9.5433	69.5295	65.3945	94.0530
2016	46.3043	15.8337	53.6957	50.8032	94.6132
2017	51.8464	5.5421	48.1536	46.2989	96.1484
2018	72.7869	20.9405	27.2131	26.1335	96.0328
2019	82.0967	9.3097	17.9033	17.2882	96.5643
2020	89.2630	7.1664	10.7370	10.4183	97.0321
2021	95.3692	6.1062	4.6308	4.4716	96.5616
2022	96.7995	1.4303	3.2005	3.1225	97.5627

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		1.4303	1.7702	1.7443	98.5356
2024 and later years		1.4303	0.3399	0.3363	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.5436 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	55.6145	55.6145	44.3855	43.5814	98.1884
2014	89.3328	33.7182	10.6672	10.4423	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2015 and later years		5.3336	5.3336	5.2769	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2015 taxable year.

Warranty

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	85.4101	85.4101	14.5899	14.4204	98.8387
2014	99.5388	14.1287	0.4612	0.4515	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2015 and later years		0.2306	0.2306	0.2281	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2015 taxable year.

Workers' Compensation

Tax Year	Estimated Cumulative Losses Paid (%)	Estimated Losses Paid Each Year (%)	Unpaid Losses at Year End (%)	Discounted Unpaid Losses at Year End (%)	Discount Factors (%)
2013	21.8973	21.8973	78.1027	70.5590	90.3413
2014	43.4962	21.5989	56.5038	50.2521	88.9359
2015	56.0061	12.5099	43.9939	38.6933	87.9515
2016	63.5544	7.5482	36.4456	31.8997	87.5269
2017	68.9880	5.4337	31.0120	27.0967	87.3751
2018	73.9567	4.9687	26.0433	22.6599	87.0089
2019	76.0580	2.1013	23.9420	21.0255	87.8187
2020	77.6365	1.5785	22.3635	19.8843	88.9139
2021	80.1194	2.4828	19.8806	17.8042	89.5556
2022	81.3456	1.2262	18.6544	16.9494	90.8600

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount unpaid losses incurred in this line of business in the 2013 accident year and that are outstanding at the end of the tax year shown.

2023		1.2262	17.4281	16.0761	92.2420
2024		1.2262	16.2019	15.1839	93.7167
2025		1.2262	14.9757	14.2724	95.3043
2026		1.2262	13.7494	13.3413	97.0319
2027 and later years		1.2262	12.5232	12.3901	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 93.4456 percent to discount unpaid losses incurred in this line of business in 2013 and prior years and that are outstanding at the end of the 2023 taxable year.

SECTION 4. DRAFTING INFORMATION

The principal author of this revenue procedure is David Remus of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure contact Mr. Remus on (202) 622-3970 (not a toll-free call).

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26 CFR 601.201: Rulings and determination letters. (Also: Part I, Section 832, 846; 1.832-4, 1.846-1.)

Rev. Proc. 2013–37

SECTION 1. PURPOSE

This revenue procedure prescribes the salvage discount factors for the 2013 accident year. These factors must be used to compute discounted estimated salvage recoverable under § 832 of the Internal Revenue Code.

SECTION 2. BACKGROUND

Section 832(b)(5)(A) requires that all estimated salvage recoverable (including that which cannot be treated as an asset for state accounting purposes) be taken into account in computing the deduction for losses incurred. Under § 832(b)(5)(A), paid losses are reduced by salvage and reinsurance recovered during the taxable year. This amount is adjusted to reflect changes in discounted unpaid losses on nonlife insurance contracts and in unpaid losses on life insurance contracts. An adjustment is then made to reflect any changes in discounted estimated salvage recoverable and in reinsurance recoverable.

Pursuant to § 832(b), the amount of estimated salvage is determined on a discounted basis in accordance with procedures established by the Secretary.

SECTION 3. SCOPE

This revenue procedure applies to any taxpayer that is required to discount estimated salvage recoverable under § 832.

SECTION 4. TABLES OF DISCOUNT FACTORS

.01 The following tables present separately for each line of business the discount factors under § 832 for the 2013 accident year. All the discount factors presented in this section were determined using the applicable interest rate under § 846(c) for 2013, which is 2.16 percent, and by assuming all estimated salvage is recovered in the middle of the calendar year.

.02 These tables must be used by taxpayers irrespective of whether they elected to discount unpaid losses using their own experience under § 846(e).

.03 Section V of Notice 88–100, 1988–2 C.B. 439, provides a composite discount factor to be used in determining the discounted unpaid losses for accident years that are not separately reported on the annual statement approved by the National Association of Insurance Commissioners. The tables separately provide discount factors for taxpayers who elect to use the composite method. Rev. Proc. 2002–74, 2002–2 C.B. 980, clarifies that for certain insurance companies subject to tax under § 831 the composite method for discounting unpaid losses set forth in Notice 88–100, section V, is permitted but not required. Rev. Proc. 2002–74 further provides alternative methods for computing discounted unpaid losses that are permitted for insurance companies not using the composite method, and sets forth a procedure for insurance companies to obtain automatic consent of the Commissioner to change to one of the methods described therein.

.04 Tables.

Accident and Health (Other Than Disability Income or Credit Disability Insurance)

Taxpayers that do not use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable with respect to losses incurred in this line of business in the 2013 accident year as of the end of the 2013 and later taxable years.

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount all salvage recoverable in this line of business as of the end of the 2013 taxable year.

Auto Physical Damage

Tax Year	Discount Factors (%)
2013	98.4882
2014	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2015 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2015 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Commercial Auto/Truck Liability/Medical

Tax Year	Discount Factors (%)
2013	96.0918
2014	95.6766
2015	96.0149
2016	95.5121
2017	95.9064
2018	95.6648
2019	92.3932
2020	91.0203
2021	93.1830
2022	94.1559

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023	95.1400
2024	96.1331
2025	97.1298
2026	98.1108
2027 and later years	98.9372

Commercial Auto/Truck Liability/Medical

Taxpayers that use the composite method of Notice 88–100 should use 95.0296 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Composite

Tax Year	Discount Factors (%)
2013	95.8312
2014	95.6601
2015	95.8323
2016	94.6468
2017	95.0231
2018	94.6757
2019	94.5640
2020	95.0764
2021	95.0903
2022	96.0842

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023	97.0831
2024	98.0706
2025 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 97.2205 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Fidelity/Surety

Tax Year	Discount Factors (%)
2013	96.6294
2014	97.8913

Fidelity/Surety

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2015 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2015 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Financial Guaranty/Mortgage Guaranty

Tax Year	Discount Factors (%)
2013	96.2442
2014	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2015 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2015 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

International (Composite)

Tax Year	Discount Factors (%)
2013	95.8312
2014	95.6601
2015	95.8323
2016	94.6468
2017	95.0231
2018	94.6757
2019	94.5640
2020	95.0764
2021	95.0903
2022	96.0842

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023	97.0831
2024	98.0706
2025 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 97.2205 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Medical Professional Liability — Claims-Made

Tax Year	Discount Factors (%)
2013	95.2786
2014	95.9565
2015	94.0862
2016	96.2641
2017	96.4417
2018	96.8118
2019	97.5213
2020	98.0020
2021	97.9851
2022	98.9372

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023 and later years	98.9372

Medical Professional Liability — Claims-Made

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Medical Professional Liability — Occurrence

Tax Year	Discount Factors (%)
2013	95.7712
2014	97.3870
2015	96.9618
2016	97.9399
2017	97.1545
2018	98.2412
2019	97.7408
2020	97.8032
2021	96.3820
2022	97.3760

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023	98.3399
2024 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.3944 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Miscellaneous Casualty

Tax Year	Discount Factors (%)
2013	97.1217
2014	97.8913

Miscellaneous Casualty

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2015 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2015 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Multiple Peril Lines (Homeowners/Farmowners, Commercial Multiple Peril, and Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery))

Tax Year	Discount Factors (%)
2013	96.3826
2014	96.3451
2015	96.7517
2016	95.2517
2017	96.4850
2018	96.8610
2019	96.9777
2020	96.8985
2021	96.6327
2022	98.9372

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Other (Including Credit)

Tax Year	Discount Factors (%)
2013	97.6897
2014	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2015 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2015 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Other Liability — Claims-Made

Tax Year	Discount Factors (%)
2013	95.1076
2014	95.4013
2015	95.4350
2016	96.3406
2017	96.3743
2018	96.5027
2019	97.3792
2020	97.3555
2021	97.5726
2022	98.5464

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Other Liability — Occurrence

Tax Year	Discount Factors (%)
2013	92.6226
2014	93.5130
2015	94.4491
2016	94.9634
2017	95.5708
2018	96.4140
2019	96.5549
2020	96.4769
2021	97.9444
2022	98.9372

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Private Passenger Auto Liability/Medical

Tax Year	Discount Factors (%)
2013	97.0706
2014	96.9687
2015	96.9501
2016	96.4757
2017	96.4634
2018	96.5763
2019	96.3892
2020	96.6383
2021	97.6225
2022	98.6028

Private Passenger Auto Liability/Medical

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Products Liability — Claims-Made

Tax Year	Discount Factors (%)
2013	92.2286
2014	93.4576
2015	92.0267
2016	96.2215
2017	94.6124
2018	98.6304
2019	97.2433
2020	88.9465
2021	98.6843
2022	98.9372

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.3136 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Products Liability – Occurrence

Tax Year	Discount Factors (%)
2013	92.9273
2014	92.9980
2015	93.6660
2016	94.6880
2017	95.1420
2018	95.8302
2019	95.7694
2020	97.5022
2021	97.0413
2022	98.0355

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Reinsurance — Nonproportional Assumed Property

Tax Year	Discount Factors (%)
2013	94.5748
2014	96.3787
2015	94.7317
2016	93.7440
2017	95.4876
2018	94.6692
2019	97.6860
2020	92.4794
2021	96.9357
2022	97.9499

Reinsurance — Nonproportional Assumed Property

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 96.4869 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Reinsurance — Nonproportional Assumed Liability

Tax Year	Discount Factors (%)
2013	90.3595
2014	92.1774
2015	87.9515
2016	88.9859
2017	93.5912
2018	95.9635
2019	95.3061
2020	95.7404
2021	94.3801
2022	97.4575

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023	98.4227
2024 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.4548 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Reinsurance — Nonproportional Assumed Financial Lines

Tax Year	Discount Factors (%)
2013	91.0140
2014	92.3376
2015	95.1527
2016	95.2554
2017	96.3242
2018	94.8469
2019	96.3368
2020	96.2848
2021	98.7677
2022	98.9372

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)

Tax Year	Discount Factors (%)
2013	97.2489
2014	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2015 and later years	98.9372

Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2015 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Warranty

Tax Year	Discount Factors (%)
2013	96.8834
2014	97.8913

Taxpayers that do not use the composite method of Notice 88–100 should use the following factor to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2015 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 98.9372 percent to discount salvage recoverable as of the end of the 2015 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

Workers' Compensation

Tax Year	Discount Factors (%)
2013	93.4664
2014	94.6736
2015	95.3195
2016	94.1675
2017	93.6989
2018	93.1688
2019	93.6398
2020	94.7487
2021	94.9592
2022	95.9566

Workers' Compensation

Taxpayers that do not use the composite method of Notice 88–100 should use the following factors to discount salvage recoverable as of the end of the tax year shown with respect to losses incurred in this line of business in the 2013 accident year.

2023	96.9634
2024	97.9719
2025 and later years	98.9372

Taxpayers that use the composite method of Notice 88–100 should use 97.2990 percent to discount salvage recoverable as of the end of the 2023 taxable year with respect to losses incurred in this line of business in 2013 and prior years.

SECTION 5. DRAFTING INFORMATION

The principal author of this revenue procedure is David Remus of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure contact Mr. Remus on (202) 622-3970 (not a toll-free call).

Part IV. Items of General Interest

Notice of Proposed Rulemaking

Treatment of Income from Indian Fishing Rights-Related Activity as Compensation

REG–120927–13

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations that would clarify that amounts paid to an Indian tribe member as remuneration for services performed in a fishing rights-related activity may be treated as compensation for purposes of applying the limits on qualified plan benefits and contributions. These regulations would affect sponsors of, and participants in, employee benefit plans of Indian tribal governments.

DATES: Comments and requests for a public hearing must be received by February 13, 2014.

ADDRESSES: Send submissions to CC:PA:LPD:PR (REG–120927–13), room 5205, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington D.C. 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–120927–13), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC, 20224, or sent electronically via the Federal eRulemaking Portal at *www.regulations.gov* (IRS REG–120927–13).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Sarah Bolen or Pamela Kinard at (202) 622-6060 or (202) 317-6700; concerning the submission of comments or to request a public hearing, Oluwafunmilayo Taylor, (202) 622-7180 or (202) 317-6901 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

Indian tribal governments (ITGs) and individual tribe members conduct fishing activities to generate revenue, protect critical habitats, and preserve tribal customs and traditions. Various treaties, federal statutes, and Presidential executive orders reserve to Indian tribe members the right to fish for subsistence and commercial purposes both on and off reservations. Because many of the treaties, statutes, and executive orders were adopted before passage of the Federal income tax, they often do not expressly address the question of whether income derived by Indians and ITGs from protected fishing activities is exempt from taxation. *See* H.R. Rep. 100–1104, at p. 77 (1988).

Congress added section 7873 to the Internal Revenue Code as part of the Technical and Miscellaneous Revenue Act of 1988 (Public Law 100-647). Section 7873(a)(1) provides that no income tax shall be imposed on income derived from a fishing rights-related activity of an Indian tribe by (A) a member of the tribe directly or through a qualified Indian entity, or (B) a qualified Indian entity. Section 7873(a)(2) provides that no employment tax shall be imposed on remuneration paid for services performed in a fishing rights-related activity of an Indian tribe by a member of such tribe for another member of such tribe or for a qualified Indian entity. Thus, section 7873(a) exempts income derived from a fishing rights-related activity ("fishing rights-related income") from both income and employment taxes.

Section 7873(b)(1) defines fishing rights-related activity with respect to an Indian tribe as any activity directly related to harvesting, processing, or transporting fish harvested in the exercise of a recognized fishing right of the tribe or to selling such fish but only if substantially all of such harvesting was performed by members of such tribe.

Section 415(a)(1) provides that a trust that is part of a pension, profit-sharing, or stock bonus plan shall not constitute a qualified trust under section 401(a) if (A) in the case of a defined benefit plan, the plan provides for the payment of benefits with respect to a participant which exceed the limitation of section 415(b), or (B) in the case of a defined contribution plan, contributions and other additions under the plan with respect to any participant for any taxable year exceed the limitation of section 415(c).

Section 415(b)(1) provides that benefits with respect to a participant exceed the annual limitation for defined benefit plans if, when expressed as an annual benefit (within the meaning of section 415(b)(2)), the participant's annual benefit is greater than the lesser of $160,000 (as adjusted in accordance with section 415(d)(1)) or 100 percent of the participant's average compensation for the participant's high 3 years.

Section 415(b)(3) provides that, for purposes of section 415(b)(1), a participant's high 3 years will be the period of consecutive calendar years (not more than 3) during which the participant had the greatest aggregate compensation from the employer. In the case of an employee within the meaning of section 401(c)(1) (that is, a self-employed individual treated as an employee), the preceding sentence is applied by substituting for "compensation from the employer" the following: "the participant's earned income (within the meaning of section 401(c)(2) but determined without regard to any exclusion under section 911)."

Section 415(c)(1) provides that contributions and other additions with respect to a participant exceed the annual limitation for defined contribution plans if, when expressed as an annual addition (within the meaning of section 415(c)(2)) to the participant's account, the participant's annual addition is greater than the lesser of $40,000 (as adjusted in accordance with section 415(d)(1)) or 100 percent of the participant's compensation. Section 415(c)(3) provides that the term "participant's compensation" means the compensation of the participant from the employer for the year. Section 1.415(c)–2(a) of the Income Tax Regulations generally provides that compensation from the employer within the meaning of section 415(c)(3) includes all items of remuneration described in §1.415(c)–2(b), but excludes the items of remuneration described in §1.415(c)–2(c).

Section 1.415(c)–2(b) generally provides that, for purposes of applying the limitations of section 415, the term compensation means remuneration for services. Specifically, under §1.415(c)–2(b)(1), compensation includes employee wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the employer maintaining the plan, to the extent that the amounts are includible in gross income. In addition, §1.415(c)–2(b)(2) provides that in the case of an employee within the meaning of section 401(c)(1) (a self-employed employee), compensation includes the employee's earned income (as described in section 401(c)(2)) plus amounts deferred at the election of the employee that would be includible in gross income but for the rules of section 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).

Section 1.415(c)–2(c) excludes certain items from the definition of compensation under section 415(c)(3). Specifically, §1.415(c)–2(c)(1) excludes contributions (other than certain elective contributions) made by the employer to a plan of deferred compensation to the extent that the contributions are not includible in the gross income of the employee for the taxable year in which contributed. Likewise, distributions from plans (whether qualified or not) are generally not considered to be compensation for section 415 purposes. Section 1.415(c)–2(c)(2) excludes from compensation amounts realized from the exercise of nonstatutory options and amounts realized when restricted stock or other property held by an employee becomes freely transferable or is no longer subject to a substantial risk of forfeiture. Section 1.415(c)–2(c)(3) excludes from compensation amounts realized from the sale, exchange, or other disposition of stock acquired under a statutory stock option (as defined in §1.421–1(b)). Finally, §1.415(c)–2(c)(4) excludes from compensation other amounts that receive special tax benefits, such as certain premiums for group-term life insurance.

Section 1.415(c)–2(d) provides safe harbor definitions that a plan is permitted to use to define compensation in a manner that satisfies section 415(c)(3). Section 1.415(c)–2(d)(2) provides a safe harbor definition of compensation that includes only those items listed in §1.415(c)–2(b)(1) or (b)(2) and excludes all the items listed in §1.415(c)–2(c). Section 415(c)–2(d)(3) provides a separate safe harbor definition of compensation that includes wages within the meaning of section 3401(a), plus amounts that would be included in wages but for an election under section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(b), 402(k), or 457(b).

Explanation of Provisions

Because fishing rights-related income is not subject to income tax, an issue has been raised as to whether such income is included as compensation for purposes of section 415(c)(3) and §1.415(c)–2(b). The proposed regulations would clarify that certain fishing rights-related income is included in the definition of compensation. Specifically, these regulations would provide that amounts paid to a member of an Indian tribe as remuneration for services performed in a fishing rights-related activity (as defined in section 7873(b)(1)) do not fail to be treated as compensation under §1.415(c)–2(b)(1) and (b)(2) (and are not excluded from the definition of compensation pursuant to §1.415(c)–2(c)(4)) merely because those amounts are not subject to income tax as a result of section 7873(a)(1). Thus, the determination of whether an amount constitutes wages, salaries, or earned income for purposes of §1.415(c)–2(b)(1) or (b)(2) is made without regard to the exemption from taxation under section 7873(b)(1) and (b)(2). In addition, by permitting fishing rights-related income to be treated as wages, salaries, or earned income under §1.415(c)–2(b)(1) and (b)(2), plans that accept contributions of fishing rights-related income would not be precluded from utilizing the safe harbor definitions of compensation under §1.415(c)–2(d)(2) and (d)(3) of the regulations.

Proposed Applicability Date

These regulations are proposed to apply for taxable years ending on or after the date of publication of the Treasury decision adopting these rules as final regulations in the **Federal Register**. Taxpayers, however, may rely on these proposed regulations for periods preceding the effective date, pending the issuance of final regulations. If, and to the extent, the final regulations are more restrictive than the rules in these proposed regulations, those provisions of the final regulations will be applied without retroactive effect.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It has also been determined that 5 U.S.C. 533(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. Because these regulations do not impose a collection of information on small entities, the provisions of the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply and a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, these regulations have been submitted to the Office of Chief Counsel for Advocacy of the Small Business Administration for comments on its impact on small business.

Comments and Requests for Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the "Addresses" heading. In addition to general comments on the proposed regulations, the IRS and the Treasury Department request comments on the taxation of qualified plan distributions that are attributable to fishing rights-related income, and the application of section 72(f)(2) (which treats certain amounts as basis for purposes of computing employee contributions if those amounts would have not been includible in income had they been paid directly to the employee). All comments are available at *www.regulations.gov* or upon request. A public hearing will be scheduled if requested in writing by any person who timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place of the public hearing will be published in the **Federal Register**.

Consultation and Coordination with Indian Tribal Governments

These proposed regulations take into account comments provided through a number of general consultation sessions held with the Indian tribal community in recent years. Consistent with Executive Order 13175, the Treasury Department and the IRS expect to hold a telephone consultation on a date between November 15, 2013 and February 13, 2014. This telephone consultation session will focus principally on the contribution of section 7873 income to qualified retirement plans and the taxation of qualified plan distributions that are attributable to this income. Information relating to the consultation, including the date, time, registration requirements, and procedures for submitting written and oral comments, will be available on the IRS website relating to Indian tribal governments at: *http://www.irs.gov/Government-Entities/Indian-Tribal-Governments*.

Drafting Information

The principal author of these regulations is Sarah R. Bolen, Office of Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities). However, other personnel from the IRS and the Treasury Department participated in the development of these regulations.

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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 continues to read in part as follows:

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

Par. 2. Section 1.415(c)–2 is amended by adding paragraphs (g)(9) and (h) to read as follows:

§1.415(c)–2 Compensation.

* * * * *

(g) * * *

(9) *Income derived by Indians from exercise of fishing rights*. Amounts paid to a member of an Indian tribe directly or through a qualified Indian entity (within the meaning of section 7873(b)(3)) as compensation for services performed in a fishing rights-related activity (as defined in section 7873(b)(1)) of the tribe do not fail to constitute compensation under paragraphs (b)(1) and (b)(2) of this section and are not excluded from the definition of compensation pursuant to paragraph (c)(4) of this section merely because those amounts are not subject to income or employment taxes as a result of section 7873(a)(1) and (a)(2). Thus, the determination of whether an amount constitutes wages, salaries, or earned income for purposes of paragraph (b)(1) or (a)(2) of this section is made without regard to the exemption from taxation under section 7873(a)(1) and (a)(2).

(h) *Effective/applicability date*. Section 1.415(c)–2(g)(9) shall apply for plan years ending on or after the date of publication of the Treasury decision adopting these rules as final regulations in the **Federal Register**.

Heather C. Maloy,
Acting Deputy Commissioner for Services and Enforcement.

(Filed by the Office of the Federal Register on November 14, 2013, 8:45 a.m., and published in the issue of the Federal Register for November 15, 2013, 78 F.R. 68780)

Notice of Dispositions of Declaratory Judgment Proceedings under Section 7428

Announcement 2013–47

This announcement serves notice to donors that on July 9, 2013, the United States Tax Court entered an order and decision that, effective January 1, 2005, the organization listed below is not recognized as an organization described in section 501(c)(3), is not exempt from tax under section 501(a), and is not an organization described in section 170(c)(2).

First Step, Inc.
Manahawkin, NJ

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

Announcement 2013–48

The Internal Revenue Service has revoked its determination that the organizations listed below qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986. Generally, the Service will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the Service is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation. If on the other hand, a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on December 2, 2013, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more particularly set forth in section 7428(c)(1). For individual contributors, the maximum deduction protected is $1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

Corral of Comfort Horse Rescue, Inc.
Palmdale, CA

Positive Energy Foundation
Lincoln, CA

Rainy Day Foundation
Washington, DC

Sunrise Residential and Lifeskills Center
Cincinnati, OH

Thunder Air Museum
Lancaster, CA

Section 7428(c) Validation of Certain Contributions Made During Pendency of Declaratory Judgment Proceedings

Announcement 2013–49

This announcement serves notice to potential donors that the organization listed below has recently filed a timely declaratory judgment suit under section 7428 of the Code, challenging revocation of its status as an eligible donee under section 170(c)(2).

Protection under section 7428(c) of the Code begins on the date that the notice of revocation is published in the Internal Revenue Bulletin and ends on the date on which a court first determines that an organization is not described in section 170(c)(2), as more particularly set forth in section 7428(c)(1).

In the case of individual contributors, the maximum amount of contributions protected during this period is limited to $1,000.00, with a husband and wife being treated as one contributor. This protection is not extended to any individual who was responsible, in whole or in part, for the acts or omissions of the organizations that were the basis for the revocation.

This protection also applies (but without limitation as to amount) to organizations described in section 170(c)(2) which are exempt from tax under section 501(a). If the organization ultimately prevails in its declaratory judgment suit, deductibility of contributions would be subject to the normal limitations set forth under section 170.

Dr. R. C. Samantha Roy Institute of Science and Technology, Inc.
Green Bay, WI

Michael Joy Fine Arts Scholarship Fund
Victoria, TX

Definition of Terms

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.

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.

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.
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[1] A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2013–1 through 2013–26 is in Internal Revenue Bulletin 2013–26, dated June 24, 2013.

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