

**OFFICE OF TAX POLICY
AND
INTERNAL REVENUE SERVICE**

2007-2008 PRIORITY GUIDANCE PLAN

August 13, 2007

CONSOLIDATED RETURNS

1. Regulations ¹ under section 1502 regarding liquidations under section 332 into multiple members. Proposed regulations were published on February 22, 2004.
2. Regulations revising section 1.1502-13(g) regarding transactions involving obligations of consolidated group members.
3. Regulations regarding transfers of member stock. Proposed regulations were published on January 23, 2007.
4. Regulations revising section 1.1502-77 regarding agency for a consolidated group.
5. Regulations regarding the application of section 172(h) (corporate equity reduction interest losses) to a consolidated group.

CORPORATIONS AND THEIR SHAREHOLDERS

1. Guidance regarding the recovery of basis in redemptions of corporate stock governed by section 301. A notice was published in the Federal Register on April 19, 2006.
2. Regulations regarding basis tracing under section 358 and allocation of boot under section 356.
3. Regulations enabling elections for certain transactions under section 336(e).
4. Regulations regarding treatment of certain nuclear decommissioning funds for purposes of allocating purchase price in certain acquisitions. Temporary regulations were published on September 14, 2004.
5. Regulations revising section 1.355-3 regarding the active trade or business requirement. Proposed regulations were published on May 8, 2007.

¹ As used in this document, unless otherwise indicated, the term “regulations” refers to proposed regulations, temporary regulations or final regulations.

6. Regulations regarding predecessors and successors under section 355(e). Proposed regulations were published on November 22, 2004.
7. Regulations regarding the applicability of section 358(h)(2)(B) to the assumption of certain liabilities. Temporary regulations were published on May 23, 2005.
8. Guidance under section 362(e) regarding the importation or duplication of losses. Notice 2005-70 was published on October 11, 2005. Proposed regulations were published on October 23, 2006 and January 23, 2007.
9. Regulations regarding continuity of interest. Temporary regulations were published on March 20, 2007.
10. Regulations regarding transactions involving the transfer or receipt of no net equity value. Proposed regulations were published on March 10, 2005.
11. Regulations revising section 1.368-2(k) regarding transfers of assets after putative reorganizations. Proposed regulations were published on August 18, 2004.
12. Revision of Rev. Proc. 81-70 providing guidelines for estimating stock basis in reorganizations under section 368(a)(1)(B). Comments regarding these guidelines were requested in Notice 2004-44.
13. Guidance regarding the scope of section 368(a)(1)(D). Temporary regulations were published on March 1, 2007.
14. Regulations under section 368(a)(1)(F). Proposed regulations were published on August 12, 2004.
15. Guidance under sections 382 and 384, including regulations regarding built-in items under section 382(h)(6). Built-in items under section 382(h)(6) were previously addressed in Notice 2003-65. Temporary regulations regarding the treatment of prepaid income were published on June 13, 2007.
16. Guidance regarding the transfer of treasury stock to a corporation controlled by the transferor. See Rev. Rul. 2006-2, revoking Rev. Rul. 74-503.
17. Revised regulations under section 1561 regarding the allocation of certain tax benefits among related corporations. Temporary regulations were published on December 21, 2006.

EMPLOYEE BENEFITS

A. Retirement Benefits

1. Guidance on special pay plans for governmental employees.
2. Notice providing transitional guidance on normal retirement age.

- WILL BE PUBLISHED 8/27/2007 in IRB 2007-35 as NOTICE 2007-69 (released 8/10/2007)
3. Guidance regarding the treatment of incidental health insurance benefits provided under a profit-sharing or stock bonus plan.
 4. Update of Employee Plans Compliance Resolution System (EPCRS).
 5. Guidance on the transfer of assets from a section 401(a) plan to a Puerto Rico plan.
 6. Proposed regulations under section 401(a)(9) on required minimum distribution rules for governmental plans, as directed by the Pension Protection Act of 2006.
 7. Guidance on diversification requirements under section 401(a)(35), as added by the Pension Protection Act of 2006.
 8. Update of model notice under section 402(f) relating to eligible rollover distributions
 9. Announcement on the definition of insurance under section 402(l), as added by the Pension Protection Act of 2006.
 10. Model plan provisions under section 403(b) for public school employees.
 11. Announcement on the reporting of distributions of section 404(k) dividends.
 12. Final regulations on converting an IRA annuity to a Roth IRA annuity. Temporary regulations were published on August 22, 2005. (408A)
 13. Proposed regulations under section 411(a)(11) to provide a description of the consequences of failing to defer, as directed by the Pension Protection Act of 2006.
 14. Proposed regulations on hybrid plans under sections 411(a)(13) and 411(b)(5), as added by the Pension Protection Act of 2006.
 15. Guidance under section 414(d), as amended by the Pension Protection Act of 2006, for plans maintained by Indian Tribal governments.
 - WILL BE PUBLISHED 8/27/2007 in IRB 2007-35 as NOTICE 2007-67 (released 8/9/2007)
 16. Guidance on automatic enrollment under sections 414(w), 401(k)(13) and 401(m)(12), as added by the Pension Protection Act of 2006.
 17. Guidance on applicable interest and mortality assumptions under section 417(e), as amended by the Pension Protection Act of 2006.
 18. Proposed regulations on the measurement of assets and liabilities under section 430, as added by the Pension Protection Act of 2006.

19. Proposed regulations on the determination of the minimum required contributions under section 430, as added by the Pension Protection Act of 2006.
20. Final regulations on the funding of single employer plans under section 430, as added by the Pension Protection Act of 2006.
21. Guidance on the mortality tables for disabled individuals used under sections 430(h)(3)(D) and 431(c)(6)(D)(v), as added by the Pension Protection Act of 2006.
22. Guidance on multiemployer plans under section 432, as added by the Pension Protection Act of 2006.
23. Proposed regulations on funding-based benefit limits under section 436, as added by the Pension Protection Act of 2006.
24. Proposed regulations under section 4980F with respect to retroactive effective dates.
25. Guidance on Form 5500 reporting as a result of the Pension Protection Act of 2006.
26. Guidance on the 10-year amortization election for airlines under section 402(a)(2) of the Pension Protection Act of 2006.

B. Executive Compensation, Health Care and Other Benefits, and Employment Taxes

1. Guidance under section 162(l) regarding 2% S Corporation shareholders.
2. Guidance under section 162(m) on the definition of outside director.
3. Guidance on discrete issues on Health Savings Accounts (HSAs).
4. Guidance on qualified nonpersonal use vehicles.
5. Guidance under section 409A on funding restrictions applicable to nonqualified deferred compensation.
6. Proposed regulations under section 409A on the calculation of income inclusion and additional taxes.
7. Guidance regarding reporting and income tax withholding under section 409A.
8. Guidance on welfare benefit funds.
9. Guidance on deductions for contributions to a welfare benefit fund.
10. Guidance under section 419A on reserves for post-retirement medical and life insurance benefits.
11. Update of the regulations under section 423 regarding employee stock purchase plans.

12. Guidance under section 457(f).
 - PUBLISHED 8/6/2007 in IRB 2007-32 as NOTICE 2007-62 (released 7/23/2007)
13. Final regulations under section 3121 regarding the definition of salary reduction agreement. Temporary regulations were published on November 16, 2004.
14. Revenue ruling on income tax withholding with respect to supplemental wages for employees who receive no regular wages.
15. Proposed regulation under section 4980B regarding calculation of the applicable premium for COBRA continuation coverage.
16. Final regulations under section 4980G on comparable HSA contributions. Proposed regulations were published on June 1, 2007.
17. Proposed regulations on Health Opportunity Patient Empowerment Act of 2006 changes to section 4980G.
18. Regulations for adjusting overpayment or underpayment of employment taxes.

EXCISE TAXES

1. Guidance under sections 4051 and 4071 on heavy trucks, trailers, tractors, and tires to update current regulations and to reflect recent statutory changes, including changes made by the American Jobs Creation Act of 2004.
2. Proposed regulations under sections 4081–4083 and 6427 on fuel tax provisions added or affected by the American Jobs Creation Act of 2004, the Energy Policy Act, and the Safe, Accountable, Flexible, Efficient Transportation Equity Act, and the Tax Relief and Health Care Act of 2006, including issues that are related to kerosene used in aircraft and the Leaking Underground Storage Tank Trust Fund. Many of these issues were discussed in Notices 2005-4 and 2005-80.
3. Final regulations under section 4082, as amended by the American Jobs Creation Act of 2004, on diesel fuel and kerosene that is dyed by mechanical injection. Temporary regulations were published on April 26, 2005.
4. Update of existing regulations and rulings regarding the tax on the retail sale of trucks, tractors, and trailers under sections 4051- 4053. Current guidance is in temporary regulations, regulations under section 4061 (which was terminated in 1983), and numerous revenue rulings.
5. Guidance under section 4481, as amended by the American Jobs Creation Act of 2004, related to electronic filing of highway use tax returns and the proration of tax when vehicles are sold.

6. Guidance on the eligibility of the credit or payment allowed for fuel used in certain buses described in sections 6421(b) and 6427(b).
7. Guidance under section 6426(d)(2)(F), as added by the Safe, Accountable, Flexible, Efficient Transportation Equity Act, to define “liquid hydrocarbon derived from biomass” for purposes of the definition of alternative fuel and the credit and payment allowable for alternative fuel mixtures.
8. Proposed regulations under sections 40, 40A, 6426 and 6427 on fuel tax provisions added or affected by the American Jobs Creation Act of 2004, the Energy Policy Act, and the Safe, Accountable, Flexible, Efficient Transportation Equity Act, including issues that are related to alcohol fuels, biodiesel, renewable diesel, and alternative fuel. Many of these issues were discussed in Notices 2005-4 and 2005-62.

EXEMPT ORGANIZATIONS

1. Revenue procedure updating Rev. Proc. 90-27 on processing exemption applications.
 - Published 7/23/2007 in IRB 2007-30 as Rev. Proc. 2007-52 (released 7/9/2007)
2. Regulations under sections 501(c)(3) and 4958 on revocation standards. Proposed regulations were published on September 9, 2005.
3. Proposed regulations regarding the new requirements for supporting organizations, as added by the Pension Protection Act of 2006.
4. Regulations under section 529 regarding qualified tuition programs.
5. Final regulations on excise taxes on prohibited tax shelter transactions and related disclosure requirements.
6. Proposed regulations regarding the new excise taxes on donor advised funds, as added by the Pension Protection Act of 2006.
7. Regulations under section 6033, as amended by the Pension Protection Act of 2006, on notification requirement for entities currently not required to file.
8. Regulations to implement Form 990 revisions.

FINANCIAL INSTITUTIONS AND PRODUCTS

1. Guidance for RICs and REITs concerning the application of section 1(h) to capital gain dividends.
2. Final regulations under section 446 on notional principal contracts (NPC) relating to the inclusion in income or deduction of a contingent nonperiodic payment and guidance relating to the character of payments made pursuant to an NPC. Proposed regulations were published on February 26, 2004.

3. Guidance addressing the correction of minor errors by RICs and REITs.
4. Final regulations simplifying the reporting to shareholders of regulated investment companies with respect to the flow through of the foreign tax credit. Proposed regulations were published on September 18, 2006.
5. Final regulations under section 860G(b) regarding withholding obligations of partnerships allocating income from REMIC residual interests to foreign persons. Proposed regulations were published on August 1, 2006.
6. Proposed regulations under section 860G addressing modifications of commercial mortgages held by REMICs.
7. Final regulations under section 1221 regarding capital asset exclusion for accounts and notes receivable. Proposed regulations were published on August 7, 2006.
8. Guidance under section 1286(f) as added by the American Jobs Creation Act of 2004 regarding treatment of stripped interests in bond and preferred stock funds.

GENERAL TAX ISSUES

1. Notice concerning the section 30B phase out of the Honda Hybrid Vehicle Credit.
2. Guidance amplifying Notice 2006-54 regarding Fuel Cell Motor Vehicle Credit Certifications.
3. Guidance regarding the alternative simplified credit under section 41(c)(5), as added by the Tax Relief and Health Care Act of 2006.
4. Proposed regulations under section 41 regarding the exception from the definition of "qualified research" for internal use software under section 41(d)(4)(E).
5. Guidance under section 41 regarding whether the gross receipts component of the research credit computation for a controlled group under section 41(f) includes gross receipts from transactions between group members.
6. Final regulations under section 42 on applicable utility allowances.
7. Final regulations under section 42 on the requirements for a qualified contract.
8. Proposed regulations under section 45D on how an entity serving targeted populations meets the requirements to be a qualified active low-income community business.
9. Guidance under section 45D relating to the new markets tax credit.
10. Final regulations under section 45G relating to the railroad track maintenance credit. Temporary regulations were published on September 8, 2006.

11. Guidance concerning the credit for the production of low sulfur diesel fuel under section 45H regarding the certification requirement for complying with EPA regulations.
12. Temporary Regulations concerning the credit for production from advanced nuclear power facilities under section 45J.
13. Regulations under sections 46 and 167 relating to normalization.
14. Guidance under section 48 on the energy credit for qualified fuel cell and microturbine property.
15. Notice regarding the tax treatment and information reporting of market gain on repayments of Commodity Credit Corporation loans.
16. Revenue ruling under sections 61 and 451 on the inclusion in income of certain federal tax credits, such as credits related to alcohol and biodiesel fuel.
17. Revenue ruling addressing the consequences of certain transactions on the treatment of arrangements as leases for federal income tax purposes.
18. Guidance under section 108(f) regarding law school debt forgiveness programs.
19. Guidance addressing significant issues under section 152 concerning the definition of dependent.
20. Final regulations under section 152, as amended by the Working Families Tax Relief Act of 2004, regarding the release of a claim for exemption for a child of divorced or separated parents. Proposed regulations were published on May 2, 2007.
21. Regulations regarding the election by state legislators under section 162(h) relating to deemed expenses for travel away from home.
22. Regulations regarding the deductibility of expenses for lodging not incurred in traveling away from home. The expected issuance of these regulations was announced in Notice 2007-47.
23. Guidance under sections 162 and 165 on deducting and accounting for gaming losses and expenses.
24. Proposed regulations under section 170(f)(12), as added by the American Jobs Creation Act of 2004, and related provisions, regarding contributions of qualified vehicles. Interim guidance was issued as Notice 2005-44.
25. Regulations under section 170 regarding substantiation and reporting requirements for cash and noncash charitable contributions to reflect amendments made by the American Jobs Creation Act of 2004 and the Pension Protection Act of 2006. Interim guidance was issued as Notice 2006-96.

26. Guidance under section 174 concerning inventory property.
27. Temporary regulations under section 179B regarding the deduction for capital cost incurred by a refinery in complying with EPA regulations.
28. Guidance under section 179C on the election to expense certain refineries.
29. Guidance under section 179D, amplifying Notice 2006-52, on the deduction for energy efficient commercial buildings.
30. Final regulations under section 199, as amended by the Tax Increase Prevention and Reconciliation Act of 2005, on the deduction for income attributable to domestic production activities.
31. Final regulations under section 199 on the definition of a qualified film.
32. Revenue ruling under section 213 regarding the deductibility of costs incurred for diagnostic procedures as medical expenses.
33. Guidance regarding the section 274(n) limitations in employee leasing arrangements.
34. Regulations under section 468A, as amended by the Energy Policy Act of 2005, regarding special rules for nuclear decommissioning costs.
35. Guidance under section 469 involving grouping and regrouping of activities.
36. Regulations under section 1221 regarding the election, as added by the Tax Increase Prevention and Reconciliation Act of 2005, to treat musical compositions sold or exchanged before January 1, 2011, as capital assets.
37. Regulations under section 1301(a), as amended by the American Jobs Creation Act of 2004, regarding income averaging for fishermen.
38. Final regulations under section 7701 regarding disregarded entities and employment and excise taxes. Proposed regulations were published on October 18, 2005.
39. Regulations providing criteria for treating an entity as an integral part of a state, local, or tribal government.

GIFTS, ESTATES AND TRUSTS

1. Final regulations under section 67 regarding miscellaneous itemized deductions of a trust or estate. Proposed regulations were published on July 27, 2007.
2. Guidance under section 642(c) concerning the ordering rules for charitable payments made by a charitable lead trust.
3. Revenue ruling on the division of charitable remainder trusts under section 664.

4. Proposed regulations under section 664(c) to reflect the 2006 Tax Relief Act amendment concerning the effect of UBIT on charitable remainder trusts.
5. Proposed regulations under section 2032(a) regarding the imposition of restrictions on estate assets during the 6 month alternate valuation period.
6. Guidance regarding the consequences under various estate, gift and generation-skipping transfer tax provisions of using a family-owned trust company as the trustee of a trust.
7. Guidance under section 2036 regarding the tax consequences of a retained power to substitute assets in a trust.
8. Final regulations under sections 2036 and 2039 regarding the portion of a split-interest trust that is includible in a grantor's gross estate in certain circumstances in which the grantor retains an annuity or other payment for life.
9. Final regulations providing guidance under section 2053 regarding the extent to which post-death events may be considered in determining the value of the taxable estate.
10. Revenue Procedure under section 2522 containing sample inter vivos Charitable Lead Unitrusts.
11. Guidance under section 2642(g) regarding extensions of time to make allocations of the generation-skipping transfer tax exemption.
12. Guidance under section 2703 regarding the gift and estate tax consequences of the transfer of assets to investment accounts that are restricted.
13. Guidance under section 2704 regarding restrictions on the liquidation of an interest in a corporation or partnership.

INSURANCE COMPANIES AND PRODUCTS

1. Final regulations on the exchange of property for an annuity contract. Proposed regulations were published on October 18, 2006.
2. Guidance concerning section 72(e) and partial exchanges of annuity contracts. Interim rules were provided in Notice 2003-51.
3. Guidance on the qualification of certain arrangements as insurance.
4. Final regulations regarding taxable asset acquisitions and dispositions of insurance companies. Temporary and proposed regulations were published on April 10, 2006.
5. Revenue ruling concerning the meaning of the term "statutory reserves" under section 807 where the company is subject to different statutory reserve requirements in different states.

6. Final regulations to expand the list of holders whose beneficial interests in an investment company, partnership, or trust do not prevent a segregated asset account from looking through to the assets of the investment company, partnership, or trust to satisfy the requirements of section 817(h). Proposed regulations were published on July 31, 2007.
7. Guidance concerning corporate-owned life insurance under section 863 of the Pension Protection Act of 2006.
8. Guidance concerning remediation procedures for life insurance and annuity contracts based on comments received pursuant to Notice 2007-15.

INTERNATIONAL ISSUES

A. Subpart F/Deferral

1. Regulations and other guidance under subpart F related to the American Jobs Creation Act of 2004 and the Tax Increase Prevention and Reconciliation Act of 2005. See Notice 2006-48 regarding active aircraft or vessel leasing rents under section 954(c)(2)(A), which was published on May 22, 2006, and Notice 2007-9 regarding section 954(c)(6), which was published on January 29, 2007.
2. Final regulations under section 959 on previously taxed earnings and profits. Proposed regulations were published on August 29, 2006.
3. Other guidance under subpart F, including guidance on contract manufacturing and substantial assistance. See Notice 2007-13 regarding substantial assistance under subpart F, which was published on January 29, 2007.
4. Final regulations on the gain recognition election and PFIC/CFC overlap rule and other guidance under sections 1296, 1297 and 1298. Final, temporary, and proposed regulations on gain recognition election and PFIC/CFC overlap were published on December 8, 2005.

B. Inbound Transactions

1. Guidance on financing activities, including lending activities under section 864.
2. Guidance related to the American Jobs Creation Act of 2004 and other issues under sections 897, 1445, and 1446. Final, temporary, and proposed regulations under section 1446 were published on May 18, 2005. See Notice 2006-46 on the tax treatment of certain restructuring transactions under section 897, which was published on June 12, 2006.
3. Regulations on withholding and reporting obligations under section 1441 regarding tender offers.

4. Guidance on documentation, securities lending, and other withholding issues under section 1441.

C. Outbound Transactions

1. Guidance on the use of parent stock to avoid dividend treatment. See Notice 2006-85 regarding use of parent stock to avoid dividend treatment, which was published on October 10, 2006, and Notice 2007-48, which was published on June 18, 2007.
2. Final regulations under section 1.367(a)-8.
3. Regulations or other guidance under section 7701. See Notice 2007-10, adding a Bulgarian entity to the list of entities always treated as corporations under section 7701, which was published on January 22, 2007.
4. Regulations under section 7874, as added by the American Jobs Creation Act of 2004, regarding the treatment of expatriated entities and their foreign parents. Temporary regulations regarding the determination of ownership under section 7874 were published on December 28, 2005, and temporary regulations regarding the substantial business activities test were published on June 6, 2006.
5. Other regulations on international restructurings. Proposed regulations under sections 367 and 1248 regarding the attribution of earnings and profits to stock following certain nonrecognition transactions were published on June 2, 2006. Final regulations under section 367(b) were published on August 8, 2006. Temporary regulations under section 367(d) were published on May 16, 1986.

D. Foreign Tax Credits

1. Final regulations under section 901 on legal liability. Proposed regulations relating to the determination of who is considered to pay a foreign tax for purposes of sections 901 and 903 were published on August 4, 2006.
2. Final regulations on the determination of the amount of taxes paid for purposes of section 901 for taxpayers who claim direct and indirect foreign tax credits. Proposed regulations were published on March 30, 2007.
3. Guidance under the American Jobs Creation Act of 2004 on recharacterization of overall domestic losses under section 904(g), and related guidance on overall foreign loss recapture provisions under section 904(f).
4. Regulations or other guidance on other foreign tax credit provisions of the American Jobs Creation Act of 2004, including the reduction in the number of separate categories under section 904(d), the credit disallowance rule under section 901(l), and related issues under section 901(k). A notice soliciting comments under section 901(l) was published on December 19, 2005.
5. Guidance on foreign tax redeterminations under section 905(c).

6. Final regulations related to look-through treatment for 10/50 company dividends and other foreign tax credit guidance. Temporary regulations on look-through treatment for 10/50 company dividends were published on April 25, 2006.

E. Transfer Pricing

1. Regulations and other guidance on the treatment of cross border services. Proposed regulations under section 482 were published on September 10, 2003, and temporary and final regulations were published on August 4, 2004. See Rev. Proc. 2007-13, which identifies services eligible to be evaluated at cost, and Notice 2007-5, which provides transition rules regarding the temporary regulations, which were both published on January 16, 2007.
2. Regulations and other guidance on global dealing. Proposed regulations under section 482 were published on March 6, 1998.
3. Regulations on cost sharing and other guidance under section 482. Proposed cost sharing regulations were issued on August 22, 2005.
4. Annual Report on the Advance Pricing Agreement Program.

F. Sourcing and Expense Allocation

1. Regulations or other guidance under the American Jobs Creation Act of 2004 on interest expense apportionment, and other guidance on expense allocation, including issues relating to partnership structures. Notice 2005-53 regarding section 1.882-5 was published on August 8, 2005. Temporary regulations under section 1.882-5 were published on August 17, 2006.
2. Regulations or other guidance on mixed source of income, including rents and royalties.

G. Treaties

1. Guidance under treaties, including on the zero percent reduced withholding rate on certain dividends.
2. Announcements of Mutual Agreements under income tax conventions (MAPs).

H. Other

1. Regulations or other guidance related to shipping and aircraft transportation. Temporary regulations under section 1.883-3 were published on June 25, 2007.
2. Guidance on cross-border treatment of insurance contracts.
3. Regulations or other guidance on the exemption of certain investment income of foreign governments under section 892. Temporary regulations under section 892 were

published on June 24, 1988. Regulations finalizing section 1.892-5 were published on July 31, 2002.

4. Guidance under section 911, including guidance under the Tax Increase Prevention and Reconciliation Act of 2005.
5. Regulations or other guidance on the source and effectively connected income rules, and other guidance on possessions. Temporary regulations, including under section 937, were published on April 11, 2005. Final regulations under section 937 providing residency rules were published on January 31, 2006.
6. Regulations and other guidance concerning the treatment of currency gain or loss. Proposed regulations under section 987 were published on September 7, 2006.
7. Guidance on cross border information reporting and filing issues, including regulations relating to the reporting of bank deposit interest. Proposed regulations under section 6049 were published on January 17, 2001.

PARTNERSHIPS

1. Proposed regulations under section 108(e)(8), as amended by the American Jobs Creation Act of 2004, regarding debt satisfied by a partnership interest.
2. Guidance under section 465, 704(b) and 752 concerning the interaction of the at-risk provisions, deficit and 752 concerning the interaction of the at-risk provisions, deficit restoration obligations and the partnership liability rules.
3. Regulations under sections 704 and 737 regarding partnership mergers. Interim guidance was issued as Notice 2005-15.
4. Proposed regulations under sections 704, 743, and 755, as amended by the American Jobs Creation Act of 2004, regarding the disallowance of certain partnership loss transfers and no reduction of basis in stock held by a partnership in a corporate partner. Interim guidance was issued as Notice 2005-32.
5. Guidance under section 704 involving remedials and related parties.
6. Final regulations under section 704(b)(2) regarding whether partnership allocations have substantial economic effect. Proposed regulations were published on November 18, 2005.
7. Revenue procedure under sections 704(b) and 45 that provides the necessary requirements for partnerships to meet a safe harbor in allocating wind energy production tax credits.
8. Modification of Rev. Proc. 2003-84 regarding monthly closing elections for partnership investments in tax-exempt bonds to impose certain additional conditions on the equity investment structure of eligible partnerships.

9. Proposed regulations under section 706(d) regarding the determination of distributive share when a partner's interest changes.
10. Final regulations under section 707 regarding disguised sales. Proposed regulations were published on November 26, 2004.
11. Final regulations under sections 721 and 83 regarding partnership equity issued in connection with the performance of services. Proposed regulations were published on May 24, 2005.
12. Final regulations under 721 regarding the tax treatment of noncompensatory options and convertible instruments issued by a partnership. Proposed regulations were published on January 22, 2003.
13. Proposed regulations under section 751(b) regarding unrealized receivables and inventory items of a partnership.
14. Final regulations regarding the application of section 1045 to certain partnership transactions. Proposed regulations were published on July 15, 2004.

SUBCHAPTER S

1. Revenue ruling on S corporation losses/reduction in tax attributes under section 108(b) for discharge of indebtedness income that is excluded from gross income.
2. Proposed regulations under section 1361 to reflect provisions of the American Jobs Creation Act of 2004 and Gulf Opportunity Zone Act of 2005, including the family shareholder provision, and to update obsolete provisions in the current regulations.
3. Guidance under sections 1361 and 1362 regarding employer identification numbers of parents and subsidiaries in F reorganizations involving S corporations and qualified subchapter S subsidiaries.
4. Guidance under section 1362 involving late S corporation elections.
5. Final regulations under section 1363 providing guidance for S corporation banks. Proposed regulations were issued on August 24, 2006.
6. Guidance under sections 1366 and 1367(a)(2) regarding the amount of deduction, and adjustments to basis of S corporation stock, for charitable contributions of property by S corporations made after the Pension Protection Act of 2006 amendments.
7. Final regulations under section 1367 regarding adjustments in basis of indebtedness. Proposed regulations were published on April 12, 2007.
8. Guidance under section 1367 regarding S corporations and back-to-back loans.

9. Guidance under section 1368(e) on whether premiums paid by S corporations for life insurance decrease the corporation's AAA.

TAX ACCOUNTING

1. Clarification of Rev. Rul. 2005-28 regarding the treatment of Medicaid rebates incurred by a pharmaceutical manufacturer in determining gross receipts.
2. Regulations under sections 162 and 263 regarding the deduction and capitalization of expenditures for tangible assets.
3. Guidance on the treatment of wrap fees.
4. Guidance under section 174 regarding changes in method of accounting from an impermissible method.
5. Regulations under sections 195, 248, and 709, as amended by the American Jobs Creation Act of 2004, regarding the elections to amortize start-up and organizational expenditures.
6. Proposed regulations under section 263(a) regarding the treatment of capitalized transaction costs.
7. Guidance regarding the supporting documentation required under section 1.263(a)-5(f) to allocate success-based fees between activities that facilitate a transaction and activities that do not facilitate a transaction.
8. Guidance under section 263A regarding the treatment of post-production costs, such as sales-based royalties.
9. Guidance under section 263A regarding whether "negative" additional section 263A costs are taken into account under section 1.263A-1(d)(4).
10. Guidance regarding whether an automobile dealership is a producer for purposes of section 263A when it installs parts on customer-owned and dealership-owned vehicles.
11. Regulations under section 381(c)(4) and (5) regarding changes in method of accounting.
12. Revenue procedures updating Rev. Proc. 2002-39 and Rev. Proc. 2006-45 to modify and clarify the rules for changing an accounting period under section 442.
13. Guidance under section 446 regarding whether a change between (1) separately reporting an item as income and deducting a related expense (either in the same or a different tax year) and (2) either (a) excluding the item from income and not deducting the expense, or (b) netting the item of income with the related expense, is a change in method of accounting.
14. Update of Rev. Proc. 2002-9 regarding automatic changes in methods of accounting.

15. Guidance regarding the nonaccrual experience method under section 448.
16. Guidance under section 453 addressing the exchange of property for an annuity.
17. Guidance regarding the application of section 453A to contingent payment installment sales.
18. Regulations under section 460 providing rules for home construction contracts.
19. Guidance under section 460 addressing the application of the lookback interest rules to certain pass-thru entities with tax-exempt owners.
20. Guidance applying the all events test of section 461 to services and other liabilities related to such services.
21. Guidance under section 468B regarding the tax treatment of a single-claimant qualified settlement fund.
22. Regulations under section 468B regarding escrow accounts and other funds used in like-kind exchanges. Proposed regulations were published on February 7, 2006.
23. Guidance regarding the permissibility of a moving average cost method for valuing inventory.
24. Guidance under section 1.472-8 regarding the inventory price index computation (IPIC) method.
25. Guidance under section 1.472-8 regarding the treatment of crossover vehicles for purposes of dollar-value LIFO pooling.
26. Guidance regarding the application of the Gulf Opportunity Zone bonus depreciation recapture rule in section 1400N(d)(5) to like-kind exchanges.

TAX ADMINISTRATION

1. Revenue procedure under section 3402 regarding the withholding rules applicable to poker tournaments.
2. Notice under section 3402(t) soliciting comments regarding guidance to Government entities required to withhold on certain payments made by the entities.
3. Final regulations regarding mandatory Corporate E-File. Temporary regulations were published on January 12, 2005.
4. Final regulations under section 6011 with respect to taxpayer disclosure of reportable transactions. Proposed regulations were published on November 2, 2006.
5. Guidance under section 6011 regarding reportable transactions.

6. Guidance concerning patented transactions.
7. Final regulations under section 6020(b) regarding substitutes for return. Temporary regulations were published on July 18, 2005.
8. Guidance regarding information reporting under section 6041 for commissions paid to insurance agents.
9. Final regulations under section 6050L, as amended, regarding the information reporting requirements relating to certain donated property. Proposed regulations were published on May 23, 2005.
10. Regulations regarding information reporting for lump sum timber sales.
11. Guidance under section 6050P regarding the information reporting requirements relating to the purchase of debt that has been written off as uncollectible. Final regulations were published on October 25, 2004.
12. Notice regarding the use of alternative signature methods by electronic return originators.
13. Regulations under section 6081 simplifying the extension process. Temporary regulations were published on November 7, 2005.
14. Final and temporary regulations under section 6103 regarding disclosures to the Department of Commerce, Bureau of the Census. Temporary regulations were published on March 11, 2005.
15. Regulations under section 6103 regarding disclosures to whistleblowers under section 7623, as amended by the Tax Reform and Health Care Act of 2006.
16. Final regulations under section 6111 with respect to material advisor disclosure of reportable transactions. Proposed regulations were published on November 2, 2006.
17. Final regulations under section 6112 with respect to list maintenance and reportable transactions. Proposed regulations were published on November 2, 2006.
18. Guidance under section 6112 with respect to list maintenance.
19. Regulations under section 6159 regarding installment agreements.
20. Guidance regarding the furnishing of security in connection with an election to pay the estate tax in installments under section 6166.
21. Revenue procedure under section 6213 regarding internet and oral change of address requests.
22. Regulations under section 6231 regarding the special enforcement exception to the application of the TEFRA partnership procedures.

23. Proposed regulations under section 6302 regarding payments under the Electronic Federal Tax Payment System.
24. Regulations under section 6302 regarding the failure-to-deposit penalty under section 6656.
25. Regulations regarding the filing of Form 941 under the Annual Employment Tax Return Program. Proposed regulations were published on January 3, 2006.
26. Regulations under section 6323 regarding electronic lien filing authority.
27. Final regulations implementing the substitution of value procedures under section 6325. Proposed regulations were published on January 11, 2007.
28. Guidance regarding the limitations on setoff.
29. Revenue ruling regarding setoff with respect to a taxpayer in bankruptcy.
30. Revision of Notice 2002-44 regarding the filing of certain claims for credit or refund.
31. Final regulations under section 6404(g) regarding the application of the interest suspension period. Proposed and temporary regulations were published on June 21, 2007.
32. Regulations under section 6501(c)(10) regarding the extension of the statute of limitations for assessment relating to failures to report required information concerning listed transactions. Interim guidance was issued as Rev. Proc. 2005-26.
33. Regulations under section 6503 regarding the suspension of the period of limitations for noncompliance with a designated summons. Proposed regulations were published on July 31, 2003.
34. Regulations under section 6611 regarding interest on overpayments by tax exempt organizations.
35. Regulations under sections 6662A, 6662 and 6664 regarding accuracy-related penalties relating to understatements. Interim guidance was issued as Notice 2005-12.
36. Update of Rev. Proc. 94-69 regarding qualified amended returns filed by CIC taxpayers. Final regulations under section 6664 were published on January 9, 2007.
37. Guidance under section 6676 regarding the penalty for erroneous claims for refund.
38. Guidance under section 6694, as amended, regarding the penalty for understatements of taxpayer's liability by tax return preparers.

39. Guidance implementing amendments to the return preparer penalties, including guidance regarding the expansion of the scope of the penalties and clarifying application of those penalties.
40. Guidance under section 6695A, as added by the Pension Protection Act of 2006, regarding the penalty applicable to appraisers.
41. Notice identifying additional frivolous positions for purposes of the section 6702 penalty as amended by the Tax Reform and Health Care Act of 2006. A previous list of frivolous positions was issued as Notice 2007-30.
42. Regulations under section 6707 regarding the penalty for failure to furnish information required by section 6111.
43. Regulations under section 6707A regarding the penalty for failure to disclose reportable transactions. Prior guidance was issued as Notice 2005-11, Rev. Proc. 2005-51, Rev. Proc. 2007-21 and Rev. Proc. 2007-25.
44. Revenue procedure regarding the procedures to request Appeals consideration of the section 6707A penalty.
45. Regulations under section 6708 regarding the penalty for failure to make a list of advisees available as required by section 6112. Interim guidance was issued as Notice 2004-80.
46. Guidance under section 7122 as amended by the Tax Increase Prevention and Reconciliation Act of 2005 regarding the partial payment requirement for offers in compromise.
47. Guidance regarding Appeals mediation procedures.
48. Guidance regarding fast track procedures for TEGE taxpayers.
49. Guidance under section 7216 regarding the disclosure and use of tax return information by tax return preparers. Proposed regulations were published on December 7, 2005. Notice 2005-93 providing additional proposed guidance was published on December 19, 2005.
50. Final regulations under section 7425(c) regarding where to send notices of nonjudicial sale and wrongful levy claims. Proposed regulations were published on July 20, 2007.
51. Guidance under section 7430 regarding attorney fees to reflect miscellaneous changes made by the Tax Reform Act of 1997 and the Internal Revenue Service Restructuring and Reform Act of 1998.
52. Proposed regulations under the section 7477 regarding declaratory judgment procedures relating to gift tax valuation issues.

53. Final regulations under section 7502 regarding the timely mailing/delivery of documents. Proposed regulations were published on September 21, 2004.
54. Revenue ruling under section 7508 regarding the effect of disaster and combat zone relief on priority and dischargeability of tax obligations in bankruptcy.
55. Amendments to the section 7508A regulations regarding the postponement of certain deadlines by reason of a Presidentially declared disaster or terroristic or military actions.
56. Amplification of Notice 2006-56 regarding certain individuals affected by Hurricane Katrina.
57. Final regulations regarding the procedures relating to third party and John Doe summonses.
58. Proposed regulations under section 7811 regarding taxpayer assistance orders.
59. Revisions to Circular 230 regarding practice before the IRS. Proposed regulations regarding various general practice (nonshelter) matters were published on February 8, 2006. Final regulations regarding matters relating to tax shelters, including standards for covered opinions and other written advice, were published on December 20, 2004.
60. Regulations regarding user fees for enrolled actuaries.
61. Guidance regarding the procedures for the imposition of a monetary penalty under Circular 230. Prior guidance was issued as Notice 2007-39.
62. Update of guidance regarding the Appeals function.
63. Revision of Rev. Proc. 2000-43 regarding ex parte communications with Appeals.

TAX EXEMPT BONDS

1. Temporary regulations on clean renewable energy bonds under section 54. Interim guidance was published as Notices 2005-98, 2006-7 and 2007-26.
2. Update Notice 2001-60, which provides guidance on a voluntary resolution program for tax-exempt bonds under section 103 and related sections.
3. Final regulations under section 141, including allocation and accounting principles. Proposed regulations regarding allocation and accounting principles were published on September 26, 2006.
4. Final regulations under section 142 regarding solid waste disposal facilities. Proposed regulations were published on May 10, 2004.
5. Proposed regulations on the public approval requirements for private activity bonds under section 147(f).

6. Update Rev. Proc. 92-63, which sets forth the process for recovery of rebate overpayments under section 148.
7. Proposed regulations on arbitrage investment restrictions under section 148.

APPENDIX - Regularly Scheduled Publications

JULY 2007

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in July 2007.
3. Revenue ruling providing the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period July through September 2007.

AUGUST 2007

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Notice providing the inflation adjustment factor to be used in determining the enhanced of recovery credit under section 43 for tax years beginning in the calendar year.
3. Notice providing the applicable percentage to be used in determining percentage depletion for marginal properties under section 613A for the calendar year.
4. Revenue ruling setting forth the terminal charge and the standard industry fare level (SIFL) cents-per-mile rates for the second half of 2007 for use in valuing personal flights on employer-provided aircraft.
5. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in August 2007.

SEPTEMBER 2007

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Revenue procedure providing the amounts of unused housing credit carryover allocated to qualified states under section 42(h)(3)(D) for the calendar year.
3. Revenue ruling under section 6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period October through December 2007.
4. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in September 2007.

5. Revenue procedure under section 62 regarding the deduction and deemed substantiation of federal standard mileage amounts.
6. Revenue procedure under section 62 regarding the deduction and deemed substantiation of federal travel per diem amounts.
7. Update of Notice 2004-83 to add approved applicants for designated private delivery service status under section 7502(f). Will be published only if any new applicants are approved.
8. Notice identifying the counties that experienced exceptional, extreme, or severe drought during the preceding 12-month period ending August 31, 2007, for purposes of determining whether the replacement period within which to replace livestock sold on account of drought is extended under section 1033(e)(2)(B) and Notice 2006-82.

OCTOBER 2007

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in October 2007.
3. Revenue procedure under section 1 and other sections of the Code regarding the inflation adjusted items for 2008.
4. Revenue procedure providing the loss payment patterns and discount factors for the 2007 accident year to be used for computing unpaid losses under section 846.
5. Revenue procedure providing the salvage discount factors for the 2007 accident year to be used for computing discounted estimated salvage recoverable under section 832.
6. Update of Rev. Proc. 2005-27 listing the tax deadlines that may be extended by the Commissioner under section 7508A in the event of a Presidentially-declared disaster or terrorist attack.
7. Revenue ruling providing the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period October through December 2007.

NOVEMBER 2007

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Revenue ruling providing the "base period T-Bill rate" as required by section 995(f)(4).

3. Revenue ruling setting forth covered compensation tables for the 2008 calendar year for determining contributions to defined benefit plans and permitted disparity.
4. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in November 2007.
5. Update of Rev. Proc. 2006-48 regarding adequate disclosure for purposes of the section 6662 substantial understatement penalty and the section 6694 preparer penalty.
6. News release setting forth cost-of living adjustments effective January 1, 2008, applicable to the dollar limits on benefits under qualified defined benefit pension plans and other provisions affecting certain plans of deferred compensation.

DECEMBER 2007

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Revenue procedure modifying Rev. Proc. 2006-53 to reflect the increased section 179 limitations in the Small Business and Work Opportunity Tax Act of 2007.
3. Revenue ruling under section 6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period January through March 2008.
4. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in December 2007.
5. Revenue procedure setting forth, pursuant to section 1397E, the maximum face amount of Qualified Zone Academy Bonds that may be issued for each state during 2008.
6. Federal Register notice on Railroad Retirement Tier 2 tax rate.

JANUARY 2008

1. Revenue procedure updating the procedures for issuing private letter rulings, determination letters, and information letters on specific issues under the jurisdiction of the Chief Counsel.
2. Revenue procedure updating the procedures for furnishing technical advice, including technical expedited advice, to certain IRS offices, in the areas under the jurisdiction of the Chief Counsel.
3. Revenue procedure updating the previously published list of "no-rule" issues under the jurisdiction of certain Associates Chief Counsel other than the Associate Chief Counsel (International) on which advance letter rulings or determination letters will not be issued.

4. Revenue procedure updating the previously published list of “no-rule” issues under the jurisdiction of the Associate Chief Counsel (International) on which advance letter ruling or determination letters will not be issued.
5. Revenue procedure updating procedures for furnishing letter rulings, general information letters, etc. in employee plans and exempt organization matters relating to sections of the Code under the jurisdiction of the Office of the Commissioner, Tax Exempt and Government Entities Division.
6. Revenue procedure updating procedures for furnishing technical advice in employee plans and exempt organization matters under the jurisdiction of the Commissioner, Tax Exempt and Government Entities Division.
7. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
8. Revenue ruling setting forth the prevailing state assumed interest rates provided for the determination of reserves under section 807 for contracts issued in 2007 and 2008.
9. Revenue ruling providing the dollar amounts, increased by the 2008 inflation adjustment, for section 1274A.
10. Revenue procedure providing procedures for limitations on depreciation deductions for owners of passenger automobiles first placed in service during the calendar year and amounts to be included in income by lessees of passenger automobiles first leased during the calendar year.
11. Revenue procedure updating procedures for issuing determination letters on the qualified status of employee plans under sections 401(a), 403(a), 409, and 4975.
12. Revenue procedure updating the user fee program as it pertains to requests for letter rulings, determination letters, etc. in employee plans and exempt organizations matters under the jurisdiction of the Office of the Commissioner, Tax Exempt and Government Entities Division.
13. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in January 2008.
14. Revenue procedure under section 143 regarding average area purchase price.
15. Revenue procedure providing the maximum allowable value for use of the fleet-average value and vehicle-cents-per-mile rules to value employer-provided automobiles first made available to employees for personal use in the calendar year.
16. Revenue ruling providing the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period January through March 2008.

FEBRUARY 2008

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in February 2008.

MARCH 2008

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Notice providing the 2008 calendar year resident population estimates used in determining the state housing credit ceiling under section 42(h) and the private activity bond volume cap under section 146.
3. Revenue ruling under section 6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period April through June 2008.
4. Revenue ruling setting forth the terminal charge and the standard industry fare level (SIFL) cents-per-mile rates for the first half of 2008 for use in valuing personal flights on employer-provided aircraft.
5. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in March 2008.

APRIL 2008

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Notice providing the inflation adjustment factor, nonconventional fuel source credit, and reference price for the calendar year that determines the availability of the credit for producing fuel from a nonconventional source under section 45K.
3. Revenue procedure providing a current list of countries and the dates those countries are subject to the section 911(d)(4) waiver and guidance to individuals who fail to meet the eligibility requirements of section 911(d)(1) because of adverse conditions in a foreign country.
4. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in April 2008.

5. Revenue ruling providing the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period April through June 2008.
6. Notice providing the calendar year inflation adjustment factor and reference prices for the renewable electricity production credit under section 45.

MAY 2008

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in May 2008.
3. Revenue procedure providing guidance for use of the national and area median gross income figures by issuers of qualified mortgage bonds and mortgage credit certificates in determining the housing cost/income ratio under section 143.
4. Revenue procedure under section 223 regarding the inflation adjusted items for 2009.

JUNE 2008

1. Revenue ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 42, 382, 1274, 1288 and 7520.
2. Revenue ruling under section 6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period July through September 2008.
3. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution for plan years beginning in June 2008.
4. Revenue procedure providing the domestic asset/liability percentages and the domestic investment yield percentages for taxable years beginning after December 31, 2007, for foreign companies conducting insurance business in the U.S.
5. Revenue ruling providing the average annual effective interest rates charged by each Farm Credit Bank District.