INTERNAL REVENUE
BULLETIN

IRS

HIGHLIGHTS OF THIS ISSUE

Bulletin No. 2020–39
September 21, 2020

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.

ADMINISTRATIVE

Rev. Rul. 2020-18, page 584.

Interest rates: underpayments and overpayments. The rates for interest determined under Section 6621 of the code for the calendar quarter beginning October 1, 2020, will be 3 percent for overpayments (2 percent in the case of a corporation), 3 percent for underpayments, and 5 percent for large corporate underpayments. The rate of interest paid on the portion of a corporate overpayment exceeding $10,000 will be 0.5 percent.

INCOME TAX

Notice 2020-69, page 604.

This notice announces that the Department of the Treasury and the Internal Revenue Service intend to issue regulations addressing the application of §§ 951 and 951A of the Internal Revenue Code to certain S corporations (as defined in § 1361(a)(1)) with accumulated earnings and profits, as described in § 316(a)(1). This notice also announces that the Treasury Department and the IRS intend to issue regulations addressing the treatment of qualified improvement property under the alternative depreciation system of § 168(g) for purposes of calculating qualified business asset investment for purposes of the foreign-derived intangible income and global intangible low-taxed income provisions, which were added to the Code by the enactment of Public Law No. 115-97, 131 Stat. 2054 (2017), commonly referred to as the Tax Cuts and Jobs Act (TCJA).

T.D. 9906, page 579.

Nuclear Decommissioning Funds. Section 468A allows a taxpayer to elect to currently deduct amounts set aside in a qualified nuclear decommissioning fund for the purpose of decommissioning a nuclear power plant. These regulations provide rules concerning the use of those funds to decommission nuclear power plants. Specifically, the regulations revise and clarify certain provisions in existing regulations to address issues that have arisen as more nuclear plants have begun the decommissioning process. The regulations also clarify provisions in existing regulations regarding self-dealing and the definition of substantial completion of decommissioning.

Finding Lists begin on page ii.

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

26 CFR 1.468A-1; 26 CFR 1.468A-5; 26 CFR 1.468A-9

T.D. 9906

DEPARTMENT OF THE TREASURY
Internal Revenue Service
26 CFR Part 1
RIN 1545-BN42

Nuclear Decommissioning Funds

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations under section 468A of the Internal Revenue Code of 1986 (Code) relating to deductions for contributions to trusts maintained for decommissioning nuclear power plants and the use of the amounts in those trusts to decommission nuclear plants. The regulations revise and clarify certain provisions in existing regulations to address issues that have arisen as more nuclear plants have begun the decommissioning process.

DATES: *Effective Date*: These regulations are effective on September 4, 2020**.**

Applicability Date: For date of applicability, see §1.468A-9.

FOR FURTHER INFORMATION CONTACT: Jennifer C. Bernardini, (202) 317-6853 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to the income tax regulations (26 CFR part 1) under section 468A of the Code relating to deductions for contributions to trusts maintained for decommissioning nuclear power plants and the use of the amounts in those trusts to decommission nuclear plants.

Section 468A was originally enacted by section 91(c)(1) of the Deficit Reduction Act of 1984, Public Law 98-369 (98 Stat 604) and has been amended several times, most recently by section 1310 of the Energy Policy Act of 2005, Public Law 109-58 (119 Stat 594). Temporary regulations (TD 9374) under section 468A were published in the **Federal Register** on December 31, 2007 (72 FR 74175). Final regulations finalizing and removing the temporary regulations (TD 9512) were published in the **Federal Register** on December 23, 2010 (75 FR 80697) (existing regulations). A notice of proposed rulemaking (REG-112800-16) (proposed regulations) was published in the **Federal Register** (81 FR 95929) on December 29, 2016. The proposed regulations provide additional guidance on deductions for contributions to trusts maintained for decommissioning nuclear power plants and the use of the amounts in those trusts to decommission nuclear plants under section 468A.

The Department of the Treasury (Treasury Department) and the IRS received several written and electronic comments in response to the proposed regulations. All comments are available at www.regulations.gov. The Treasury Department and the IRS held a public hearing on the proposed regulations on October 25, 2017.

After consideration of the comments received, including comments made at the public hearing, the proposed regulations are adopted as final regulations as revised by this Treasury decision. In general, these final regulations follow the approach of the proposed regulations with some modifications based on the recommendations made in the comments. This preamble describes the comments received by the Treasury Department and the IRS and the revisions made.

Summary of Comments and Explanation of Provisions

1. *Definition of Nuclear Decommissioning Costs*

A. Inclusion of Amounts Related to the Storage of Spent Fuel within Definition of Nuclear Decommissioning Costs

Section 1.468A-1(b)(6) of the existing regulations defines nuclear decommissioning costs as including "all otherwise deductible expenses to be incurred in connection with" the disposal of nuclear assets. In the proposed regulations, the Treasury Department and the IRS addressed questions regarding whether nuclear decommissioning costs include costs related to an Independent Spent Fuel Storage Installation (ISFSI) for the construction or purchase of assets that would not necessarily qualify as "otherwise deductible" expenses under the existing regulations. The proposed regulations clarified the definition of nuclear decommissioning costs to specifically include ISFSI-related costs. The proposed regulations also confirmed that the requirement that an expense be "otherwise deductible" is not applicable to costs related to spent nuclear fuel generated by a nuclear power plant or plants. A commenter requested that the final regulations further clarify this point. The Treasury and the IRS view additional clarification as unnecessary and decline to adopt this suggestion.

The existing and proposed regulations assume operators typically store spent fuel in an on-site ISFSI, and thus the definition of nuclear decommissioning costs included expenses related to fuel storage in on-site ISFSIs. However, the Treasury Department and the IRS understand that because the Department of Energy has not begun accepting spent fuel for disposal in a permanent geologic repository, on-site ISFSIs currently being used by operators of nuclear power plants may become overcrowded and, as a result, operators may choose to look to off-site ISFSIs for future storage capacity. After reviewing the comments, the Treasury Department and the IRS have decided to address this consideration by broadening the definition of nuclear decommissioning costs in §1.468A-1(b)(6) to include expenses related to spent fuel storage in ISFSIs both on-site and off-site from the nuclear power plant that generates such spent fuel.

B. Inclusion of Amounts Related to a Depreciable Asset and to Land Improvements within Definition of Nuclear Decommissioning Costs

In response to questions about whether a cost must be currently deductible for

that amount to be payable currently from the Fund under the "otherwise deductible" language of §1.468A-1(b)(6) of the existing regulations, the proposed regulations broadened the definition of nuclear decommissioning costs to include the total cost of depreciable or amortizable assets by adding the words "or recoverable through depreciation or amortization" following "otherwise deductible."

Commenters suggested that the term "otherwise deductible" be removed from the definition of nuclear decommissioning costs. These commenters asserted that the "otherwise deductible" requirement is unnecessary with respect to all decommissioning costs because deductibility is not required by the legislative intent or plain language of the Code. Nuclear decommissioning costs are broadly defined in §1.468A-1(b)(5) of the regulations to include expenses incurred before, during, and after the actual decommissioning process for the nuclear power plant unit that has ceased operations. This broad definition is consistent with Congress's recognition in enacting section 468A of the Code in 1984 (at the same time as section 461(h) relating to economic performance was enacted) that "the establishment of segregated reserve funds for paying future nuclear decommissioning costs was of sufficient national importance that a tax deduction, subject to limitations, should be provided for amounts contributed to qualified funds." And further, "[t]axpayers who do not elect this provision are subject to the general rules in the Act which do not permit accrual basis taxpayers to deduct future liabilities prior to the time when economic performance occurs (Code Sec 461)." Joint Committee on Taxation Staff, General Explanation of the Revenue Provisions of the Deficit Reduction Act of 1984, 98th Cong., 2d Sess. 270 (1984).

Nuclear decommissioning costs must be incurred for the purposes intended by Congress. However, whether nuclear decommissioning costs are "otherwise deductible" are determined under other provisions of the Code. Costs that meet the definition of nuclear decommissioning costs under section 468A are not independently deductible under section 468A. Specifically, under section 468A(c)(2), these costs are deductible when economic performance occurs under section 461(h) (2) if the costs are deductible under section 162 (or are otherwise deductible under another provision of chapter 1 of the Code). Further, the Treasury Department and the IRS believe that the broader definition of nuclear decommissioning costs in the proposed regulations will eliminate most of the issues raised by commenters suggesting deletion of "otherwise deductible," and thus the final regulations do not adopt this suggestion.

One commenter observed that the proposed regulations can be interpreted to mean that an expense for property will not be deemed recoverable through depreciation or amortization if the property will be considered abandoned for purposes of section 165. The commenter noted that such an interpretation could lead to inconsistent results depending on the type of cost and whether such cost is incurred while the plant is still operating versus if such cost is incurred when the plant is already retired or decommissioned. The Treasury Department and the IRS do not believe that the suggested interpretation is correct. The definition of nuclear decommissioning costs in the proposed regulations should be interpreted to include costs incurred for depreciable assets as those costs are incurred, whether or not such asset will be abandoned for purposes of section 165.

Commenters suggested that the Treasury Department and the IRS consider including additional types of assets, such as land improvements, within the definition of nuclear decommissioning costs to effectuate the purpose of section 468A. The Treasury Department and the IRS agree with this suggestion. Accordingly, the final regulations broaden the definition of nuclear decommissioning costs in §1.468A-1(b)(6)(i) to include "all land improvements and otherwise deductible expenses to be incurred in connection with the entombment, decontamination, dismantlement, removal, and disposal of the structures, systems and components of a nuclear power plant, whether that nuclear power plant will continue to produce electric energy or has permanently ceased to produce electric energy."

Commenters also noted that the use of the term "expense" may cause confusion because the common business usage of the term "expense" suggests a period cost. A commenter recommended that the final regulations use the term "expenditure," which in common business usage denotes an outflow of resources, as more appropriate than "expense" where the reference to a period cost is not specifically intended. While the Treasury Department and the IRS acknowledge the merits of this clarification, the term "expense" is used to describe similar concepts throughout many other sections of the existing regulations. Because adoption of the term "expenditure" in §§1.468A-1 and 1.468A-5 may cause additional confusion and inconsistency with other sections of the existing regulations where the term "expense" is used for similar concepts (for example, §1.468A-4(b)(2) Treatment of Nuclear Decommissioning Fund; Modified Gross Income), the final regulations do not adopt this recommendation.

2. *Clarification of the Applicability of the Self-Dealing Rules to Transactions Between the Fund and Disqualified Persons*

The proposed regulations provided that, for purposes of the prohibitions against self-dealing provisions in existing §1.468A-5(b), reimbursement of decommissioning costs by the Fund to a disqualified person that paid such costs is not an act of self-dealing. The Treasury Department and the IRS received no comments on this provision, and these final regulations adopt the proposed regulations on this point.

The preamble to the proposed regulations further stated that no amount beyond what is actually paid by the disqualified person, including amounts such as direct or indirect overhead or a reasonable profit element, may be included in the reimbursement by the Fund. Several commenters recommended amending the language of §1.468A-5(b) to expand the types of expenses permitted to be reimbursed as nuclear decommissioning costs under the self-dealing rules to include direct or indirect overhead and a reasonable profit element. These commenters assert that there is no existing statutory or regulatory requirement to suggest that it is not entirely appropriate for a contributor or its affiliate to be reimbursed for overhead of any type and, in addition, a reasonable profit

element, if the amount of the charge is not excessive.

Under §1.468A-5(b)(2)(v) of the existing regulations, the payment of compensation (and payment or reimbursement of expenses) by a Fund to a disqualified person for personal services that are decommissioning costs and that are reasonable and necessary to carrying out the exempt purposes of the Fund are not an act of self-dealing if such payment is purely for the compensation (and payment or reimbursement of expenses) of such services, but only to the extent such payment would ordinarily be paid for like services by like enterprises under like circumstances. See section 4951(d)(2)(C), §§53.4951-1(a), 53.4941(d)-3(c), and 1.162-7. The fact that the total amount of such payment is more than the disqualified person's actual expenses paid for such personal services does not cause the Fund's payment to constitute an act of self-dealing, even if the difference is properly characterized as profit, or direct or indirect overhead. See §53.4941(d)-3(c)(1). In response to the comments on this issue, the Treasury Department and the IRS have modified the language of §1.468A-5(b)(2)(v) to refer to the determination of whether a payment is reasonable under section 4951(d)(2)(C), §§53.4951-1(a), 53.4941(d)-3(c), and 1.162-7.

Conversely, one commenter observed there is a significant risk for abuse of the self-dealing rules where nuclear power plants are decommissioned by "contractors" that are also the owners of the nuclear power plant because the fees for their services or activities may also include a profit margin that is not properly reported for federal income tax purposes. As a result, the tax treatment of Funds could be exploited as a tax loophole. This commenter requested that the Treasury Department and the IRS either modify the proposed regulations to require the reporting of profits in charges paid to related entities (or to the taxpayers themselves) by a Fund, and/or promulgate reporting requirements in the implementation of the final regulations. The Treasury Department and the IRS decline to adopt this change because, as discussed above, the safeguards in place under the self-dealing rules are adequate to avoid the potential exploitation identified by the commenter.

3. *Definition of "Substantial Completion" in §1.468A-5(d)(3)(i)*

Existing §1.468A-5(d)(3)(i) defines the substantial completion date as "the date that the maximum acceptable radioactivity levels mandated by the Nuclear Regulatory Commission [NRC] with respect to a decommissioned nuclear power plant are satisfied." The proposed regulations amended this definition to provide that the substantial completion date is the date on which all Federal, state, local, and contractual decommissioning liabilities are fully satisfied. Because the Treasury Department and the IRS received no comments on this proposed amendment, the final regulations adopt this change to the definition.

Effective/Applicability Date

Section 7805(b)(1)(A) and (B) of the Code generally provides that no temporary, proposed, or final regulation relating to the internal revenue laws may apply to any taxable period ending before the earliest of (A) the date on which such regulation is filed with the **Federal Register**, or (B) in the case of a final regulation, the date on which a proposed or temporary regulation to which the final regulation relates was filed with the **Federal Register**.

The proposed regulations provided that the regulations would apply to taxable years ending on or after the date of publication of the Treasury decision adopting the proposed rules as final regulations in the **Federal Register**. Additionally, the preamble to the proposed regulations provided that, notwithstanding the prospective effective date, taxpayers could take return positions consistent with the proposed regulations for taxable years ending on or after December 29, 2016 (the date the proposed regulations were published in the **Federal Register**).

One commenter proposed that the effective and applicability dates of these regulations be amended to permit taxpayers to rely on the provisions of the final regulations for taxable years that are open as of the date the proposed regulations were published in the **Federal Register**. After consideration, the Treasury Department and IRS decline to adopt this comment in the final regulations. As noted in the preceding paragraph, the preamble to the proposed regulations made clear that taxpayers could take return positions consistent with the notice of proposed rulemaking for taxable years ending on or after December 29, 2016 (the date the proposed regulations were published in the **Federal Register**). This allowed taxpayers to request schedules of ruling amounts from the IRS (as required by section 468A(d)(1) and §1.468A-3) with respect to costs that were treated as nuclear decommissioning costs under the proposed regulations and to deduct those amounts in taxable years ending on or after December 29, 2016. However, for taxpayers that have not requested and obtained a schedule of ruling amounts for taxable years for which the deemed payment deadline date (as defined in §1.468A-2(c)(1)) has passed as of September 4, 2020, under §1.468-3(e)(v), it is impossible to obtain a schedule of ruling amounts (and therefore impossible to contribute any amount to a qualified fund) because the request for the schedule of ruling amounts would be submitted to the IRS after the deemed payment deadline date. Accordingly, while the final regulations apply to taxable years ending on or after September 4, 2020, taxpayers may apply the rules contained in the final regulations to prior taxable years for which a taxpayer's deemed payment deadline has not passed prior to September 4, 2020. See section 7805(b)(7).

Special Analyses

Executive Orders 12866 and 13563 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

These final regulations have been designated by the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs (OIRA) as subject to review under Executive Order 12866 pursuant to the Memorandum of Agreement (April 11, 2018) between the

Treasury Department and OMB regarding review of tax regulations. OIRA has determined that the final rulemaking is significant and subject to review under Executive Order 12866 and section 1(b) of the Memorandum of Agreement.

1. Background and Need for Regulation

Federal law requires operators of nuclear power plants to dismantle these plants and safely dispose of the fuel when the useful life of the plant has expired. Nuclear Regulatory Commission (NRC) rules require plant owners to demonstrate that sufficient financial resources will be available for decommissioning costs.[1] Additionally, owners are required to report to the NRC at least every two years the status of a plant's decommissioning funding. The NRC rules allow for various methods to satisfy the requirement for dedicated decommissioning funds. Section 468A of the Code is intended to facilitate these requirements by allowing taxpayers with ownership interests in nuclear power plants to elect to currently deduct the future costs of decommissioning a nuclear power plant.[2] Funds for which an election has been made under section 468A are widely used in the industry, but not all decommissioning funding vehicles are section 468A funds.

The election is made pursuant to procedures provided in existing regulations under section 468A and allows taxpayers to make contributions to a Nuclear Decommissioning Fund ("Fund") prior to the time when actual decommissioning costs are incurred.[3] When amounts are actually distributed from the Fund the electing taxpayer faces a gross income inclusion. Generally, the income inclusion is offset with a corresponding deduction for the costs of decommissioning activities when they are actually performed. Funds are treated as separate taxable corporations, with investment incomes subject to a fixed 20 percent rate of tax.

Section 468A(a) limits the purposes for which amounts can be considered "nuclear decommissioning costs." The definition of such costs forms the basis for a large portion of the rulemaking that has been issued regarding 468A and furthermore forms the bulk of the basis for the final regulations.[4] As decommissioning activity increases and technologies change, additional guidance is needed to address withdrawals from the Fund to cover new costs and cost categories that may arise for purposes of decommissioning. For example, the accumulating amounts of spent nuclear fuel and the ongoing lack of a Federal repository for that fuel have led plant owners to store spent nuclear fuel in Independent Spent Fuel Storage Installations (ISFSIs). The need to independently store spent fuel was not anticipated when previous IRS regulations were issued. The final regulations clarify that the costs of an ISFSI and related matters are decommissioning costs for purposes of section 468A.

More generally, the final regulations provide clarifications and updates to existing regulations in response to industry requests for public guidance on this and related issues. These clarifications generally have already been adopted by the IRS in its private letter rulings but stakeholders have requested that the regulations be amended to provide additional certainty.

2. Overview of the Final Regulations

The regulations provide guidance on deductions for contributions to funds maintained for decommissioning nuclear power plants and the use of the amounts in those funds to decommission nuclear plants under section 468A. Specifically, the regulations (1) broaden the definition of nuclear decommissioning costs in §1.468A-1(b)(6) to include expenses related to spent fuel storage in ISFSIs both on-site and off-site from the nuclear power plant that generates such spent fuel; (2) clarify that the definition of nuclear decommissioning costs in §1.468A-1(b)(6) does not only include currently deductible costs by adding the words "or recoverable through depreciation or amortization" following "otherwise deductible"; (3) broaden the definition of nuclear decommissioning costs in §1.468A-1(b)(6)(i) to include "all land improvements and otherwise deductible expenses to be incurred in connection with the entombment, decontamination, dismantlement, removal, and disposal of the structures, systems and components of a nuclear power plant, whether that nuclear power plant will continue to produce electric energy or has permanently ceased to produce electric energy"; (4) broaden the exemption from the self-dealing rules to include reimbursements to parties related to the electing taxpayer and also expand the types of expenses permitted to be reimbursed as nuclear decommissioning costs under the self-dealing rules to include direct or indirect overhead and a reasonable profit element; and (5) provide that the substantial completion date is the date on which all Federal, state, local, and contractual decommissioning liabilities are fully satisfied.

3. Economic Effects of the Final Regulations

A. *Baseline*

The Treasury Department and the IRS have assessed the benefits and costs of the final regulations relative to a no-action baseline reflecting anticipated Federal income tax-related behavior in the absence of these regulations.

B. *Summary of Economic Effects*

The final regulations provide certainty and clarity regarding the tax treatment of nuclear decommissioning costs. The Treasury Department and the IRS do not expect that the regulations will affect the decommissioning of nuclear plants in any meaningful way, including the mix or

[1] A detailed description of nuclear decommissioning and the various Nuclear Regulatory Commission (NRC) rules are beyond the scope of this document.
[2] See generally Joint Committee on Taxation Staff, General Explanation of the Revenue Provisions of the Deficit Reduction Act of 1984, 98th Cong. 2d Sess. 270 (1984).
[3] Electing taxpayers are permitted to contribute to the Fund amounts in accordance with a schedule of ruling amounts, which taxpayers must request and receive from the IRS. Very generally, the schedule of ruling amounts should reflect the total cost for decommissioning the plant over the estimated useful life of the plant. Section 468A(d); §1.468A-3.
[4] Section 468A was added by the Deficit Reduction Act of 1984. Regulations were first promulgated in 1988 and were amended in 1992, 1994, 2007, and 2010.

level of activities involved in decommissioning, because the management of spent nuclear fuel and related decommissioning activities are regulated by the NRC and governed by a wide range of non-tax regulations. The final regulations further do not provide any tax-based incentives that would affect in any substantial way the decision to decommission, the timing of decommissioning, or the methods chosen to decommission any plant or plants in general.

In the absence of these regulations, the Treasury Department and the IRS expect that decommissioning would generally proceed the same. The Treasury Department and the IRS further note that the final regulations largely implement existing industry expectations for tax treatment of decommissioning expenses, as informed by private letter rulings.

The Treasury Department and the IRS also considered whether the final regulations will affect decisions for owners or operators to plan, construct, or open new nuclear facilities. Future decommissioning of any new plants would take place many years from now and any issues regarding changes in technology can be expected to be dealt with through future rulemaking. Therefore, the Treasury Department and the IRS do not expect the final regulations to affect decisions about new facilities.

The Treasury Department and the IRS welcome comments on these conclusions and more generally on the economic effects of these final regulations.

Regulatory Flexibility Act

It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities pursuant to the Regulatory Flexibility Act (RFA) (5 U.S.C. 601). Although a substantial number of small entities may be affected, the economic impact of this rule is unlikely to be significant.

According to the Small Business Administration's Table of Size Standards (13 CFR 121), utilities, including nuclear electric power generation with 750 or fewer employees (NAICS Code 221113), are considered small entities. According to the 2016 Statistics of U.S. Businesses (SUSB) data, there are at least seven entities with fewer than 750 employees of the 27 entities in the industry, which could be considered a substantial number of small entities for purposes of the RFA.

The economic impact of these regulations on small entities is not likely to be significant. Section 468A of the Code allows taxpayers with ownership interests in nuclear power plants to elect to currently deduct the future costs of decommissioning a nuclear power plant. The procedures for this election are set forth in existing regulations. As discussed earlier in these Special Analyses, the final regulations provide clarifications and updates to the existing regulations in response to industry requests for public guidance. These clarifications generally have already been adopted by the IRS in private letter rulings but stakeholders have requested that the regulations be amended to provide additional certainty. Because the final rule is codifying what is widely understood to be existing policy, the economic impact of this rule is not likely to be significant for any entities affected, regardless of size.

Pursuant to section 7805(f) of the Code, the proposed regulations preceding these final regulations were submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business and no comments were received.

Paperwork Reduction Act

There is no new collection of information contained in these regulations. The collection of information contained in the regulations under section 468A has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) under control number 1545-2091. Responses to these collections of information are required to obtain a tax benefit.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by section 6103 of the Code.

Drafting Information

The principal author of these regulations is Jennifer C. Bernardini, Office of Associate Chief Counsel (Passthroughs and Special Industries). However, other personnel from the IRS and the Treasury Department participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

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

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

Par. 2. Section 1.468A-1 is amended by adding paragraphs (b)(6)(i) and (ii) to read as follows:

§1.468A-1 Nuclear decommissioning costs; general rules.

* * * * *

(b) * * *

(6) * * *

(i) For the purpose of this title, the term *nuclear decommissioning costs* or *decommissioning costs* includes all expenses related to land improvements and otherwise deductible expenses to be incurred in connection with the entombment, decontamination, dismantlement, removal and disposal of the structures, systems and components of a nuclear power plant, whether that nuclear power plant will continue to produce electric energy or has permanently ceased to produce electric energy. Such term includes all expenses related to land improvements and otherwise deductible expenses to be incurred in connection with the preparation for decommissioning, such as engineering and other planning expenses,

and all otherwise deductible expenses to be incurred with respect to the plant after the actual decommissioning occurs, such as physical security and radiation monitoring expenses. An expense is otherwise deductible for purposes of this paragraph (b)(6) if it would be deductible or recoverable through depreciation or amortization under chapter 1 of the Internal Revenue Code without regard to section 280B.

(ii) The term nuclear decommissioning costs or decommissioning costs, as applicable to this title, also includes expenses incurred in connection with the construction, operation, and ultimate decommissioning of a facility used solely to store, pending delivery to a permanent repository or disposal, spent nuclear fuel generated by one or more nuclear power plants (for example, an Independent Spent Fuel Storage Installation). Such term does not include otherwise deductible expenses to be incurred in connection with the disposal of spent nuclear fuel under the Nuclear Waste Policy Act of 1982 (Pub. L. 97-425).

* * * * *

Par. 3. Section 1.468A-5 is amended by revising the section heading and paragraphs (b)(2)(i) and (v) and (d)(3)(i) to read as follows:

§1.468A-5 Nuclear decommissioning fund—miscellaneous provisions.

* * * * *

(b) * * *

(2) * * *

(i) A payment by a nuclear decommissioning fund for the purpose of satisfying, in whole or in part, the liability of the electing taxpayer for decommissioning costs of the nuclear power plant to which the nuclear decommissioning fund relates, whether such payment is made to an unrelated party in satisfaction of the decommissioning liability or to the plant operator or other otherwise disqualified person as reimbursement solely for actual expenses paid by such person in satisfaction of the decommissioning liability;

* * * * *

(v) Any act described in section 4951(d)(2)(B) or (C). Whether payments under section 4951(c)(2)(C) are not excessive is determined under §1.162-7. See §53.4941(d)-3(c)(1). The fact that the amount of such payments that are not excessive are also more than the disqualified person's actual expenses for such personal services does not cause the payments to constitute acts of self-dealing, even if the difference is properly characterized as profit, or direct or indirect overhead;

* * * * *

(d) * * *

(3) * * *

(i) The substantial completion of the decommissioning of a nuclear power plant occurs on the date on which all Federal, state, local, and contractual decommissioning requirements are fully satisfied (the substantial completion date). Except as otherwise provided in paragraph (d)(3)(ii) of this section, the substantial completion date is also the termination date.

* * * * *

Par. 4. Section 1.468A-9 is revised to read as follows:

§1.468A-9 Applicability dates.

(a) *In general*. Except as provided in paragraph (b) of this section, §§1.468A-1 through 1.468A-8 are effective on December 23, 2010, and apply with respect to taxable years ending after such date.

(b) *Special rules*—(1) *Taxable years ending before December 23, 2010*. Special rules that are provided for taxable years ending on or before December 23, 2010, such as the special rule for certain special transfers contained in §1.468A-8(a)(4)(ii), apply with respect to such taxable years. In addition, except as provided in paragraph (2) of this section, a taxpayer may apply the provisions of §§1.468A-1 through 1.468A-8 with respect to a taxable year ending on or before December 23, 2010, if all such provisions are consistently applied.

(2) *Applicability of §1.468A-1(b)(6) and §1.468A-5(b)(2)(i), (b)(2)(v), and (d)(3)(i)*. The rules in §§1.468A-1(b)(6) and 1.468A-5(b)(2)(i), (b)(2)(v), and (d)(3)(i) apply to taxable years ending on or after September 4, 2020. Taxpayers may also choose to apply the rules in §1.468A-1(b)(6) and §1.468A-5(b)(2)(i), (b)(2)(v), and (d)(3)(i) to prior taxable years for which a taxpayer's deemed payment deadline (as defined in §1.468A-2(c)(1)) has not passed prior to September 4, 2020.

Sunita Lough,
Deputy Commissioner for Services and Enforcement.

Approved: March 5, 2020.

David J. Kautter,
Assistant Secretary of the Treasury (Tax Policy).

(Filed by the Office of the Federal Register on September 3, 2020, 8:45 a.m., and published in the issue of the Federal Register for September 4, 2020, 85 F.R. 55185)

Section 6621.—Determination of Rate of Interest

26 CFR 301.6621-1: Interest rate.

Rev. Rul. 2020-18

Section 6621 of the Internal Revenue Code establishes the interest rates on overpayments and underpayments of tax. Under section 6621(a)(1), the overpayment rate is the sum of the federal short-term rate plus 3 percentage points (2 percentage points in the case of a corporation), except the rate for the portion of a corporate overpayment of tax exceeding $10,000 for a taxable period is the sum of the federal short-term rate plus 0.5 of a percentage point. Under section 6621(a)(2), the underpayment rate is the sum of the federal short-term rate plus 3 percentage points.

Section 6621(c) provides that for purposes of interest payable under section 6601 on any large corporate underpayment, the underpayment rate under section 6621(a)(2) is determined by substituting "5 percentage points" for "3 percentage points." See section 6621(c) and section 301.6621-3 of the Regulations on Procedure and Administration for the definition of a large corporate underpayment and for the rules for determining the applicable date. Section 6621(c) and section 301.6621-3 are generally effective for periods after December 31, 1990.

Section 6621(b)(1) provides that the Secretary will determine the federal short-

term rate for the first month in each calendar quarter. Section 6621(b)(2)(A) provides that the federal short-term rate determined under section 6621(b)(1) for any month applies during the first calendar quarter beginning after that month. Section 6621(b)(3) provides that the federal short-term rate for any month is the federal short-term rate determined during that month by the Secretary in accordance with section 1274(d), rounded to the nearest full percent (or, if a multiple of 1/2 of 1 percent, the rate is increased to the next highest full percent).

Notice 88-59, 1988-1 C.B. 546, announced that in determining the quarterly interest rates to be used for overpayments and underpayments of tax under section 6621, the Internal Revenue Service will use the federal short-term rate based on daily compounding because that rate is most consistent with section 6621 which, pursuant to section 6622, is subject to daily compounding.

The federal short-term rate determined in accordance with section 1274(d) during July 2020 is the rate published in Revenue Ruling 2020-15, 2020-32 IRB 233, to take effect beginning August 1, 2020. The federal short-term rate, rounded to the nearest full percent, based on daily compounding determined during the month of July 2020 is 0 percent. Accordingly, an overpayment rate of 3 percent (2 percent in the case of a corporation) and an underpayment rate of 3 percent are established for the calendar quarter beginning October 1, 2020. The overpayment rate for the portion of a corporate overpayment exceeding $10,000 for the calendar quarter beginning October 1, 2020 is 0.5 percent. The underpayment rate for large corporate underpayments for the calendar quarter beginning October 1, 2020, is 5 percent. These rates apply to amounts bearing interest during that calendar quarter.

Sections 6654(a)(1) and 6655(a)(1) provide that the underpayment rate established under section 6621 applies in determining the addition to tax under sections 6654 and 6655 for failure to pay estimated tax for any taxable year. Thus, the 3 percent rate also applies to estimated tax underpayments for the fourth calendar quarter beginning October 1, 2020. In addition, pursuant to section 6603(d)(4), the rate of interest on section 6603 deposits is 0 percent for the fourth calendar quarter in 2020.

Interest factors for daily compound interest for annual rates of 0.5 percent are published in Appendix A of this Revenue Ruling. Interest factors for daily compound interest for annual rates of 2 percent, 3 percent and 5 percent are published in Tables 57, 59, and 63 of Rev. Proc. 95-17, 1995-1 C.B. 611, 613, and 617.

Annual interest rates to be compounded daily pursuant to section 6622 that apply for prior periods are set forth in the tables accompanying this revenue ruling.

DRAFTING INFORMATION

The principal author of this revenue ruling is Casey R. Conrad of the Office of the Associate Chief Counsel (Procedure and Administration). For further information regarding this revenue ruling, contact Mr. Conrad at (202) 317-6844 (not a toll-free number).

APPENDIX A

365 Day Year

0.5% Compound Rate 184 Days

Days	Factor	Days	Factor	Days	Factor
1	0.000013699	63	0.000863380	125	0.001713784
2	0.000027397	64	0.000877091	126	0.001727506
3	0.000041096	65	0.000890801	127	0.001741228
4	0.000054796	66	0.000904512	128	0.001754951
5	0.000068495	67	0.000918223	129	0.001768673
6	0.000082195	68	0.000931934	130	0.001782396
7	0.000095894	69	0.000945646	131	0.001796119
8	0.000109594	70	0.000959357	132	0.001809843
9	0.000123294	71	0.000973069	133	0.001823566
10	0.000136995	72	0.000986781	134	0.001837290
11	0.000150695	73	0.001000493	135	0.001851013
12	0.000164396	74	0.001014206	136	0.001864737
13	0.000178097	75	0.001027918	137	0.001878462
14	0.000191798	76	0.001041631	138	0.001892186
15	0.000205499	77	0.001055344	139	0.001905910
16	0.000219201	78	0.001069057	140	0.001919635
17	0.000232902	79	0.001082770	141	0.001933360
18	0.000246604	80	0.001096484	142	0.001947085
19	0.000260306	81	0.001110197	143	0.001960811
20	0.000274008	82	0.001123911	144	0.001974536
21	0.000287711	83	0.001137625	145	0.001988262
22	0.000301413	84	0.001151339	146	0.002001988
23	0.000315116	85	0.001165054	147	0.002015714
24	0.000328819	86	0.001178768	148	0.002029440
25	0.000342522	87	0.001192483	149	0.002043166
26	0.000356225	88	0.001206198	150	0.002056893
27	0.000369929	89	0.001219913	151	0.002070620
28	0.000383633	90	0.001233629	152	0.002084347
29	0.000397336	91	0.001247344	153	0.002098074
30	0.000411041	92	0.001261060	154	0.002111801
31	0.000424745	93	0.001274776	155	0.002125529
32	0.000438449	94	0.001288492	156	0.002139257
33	0.000452154	95	0.001302208	157	0.002152985
34	0.000465859	96	0.001315925	158	0.002166713
35	0.000479564	97	0.001329641	159	0.002180441
36	0.000493269	98	0.001343358	160	0.002194169
37	0.000506974	99	0.001357075	161	0.002207898
38	0.000520680	100	0.001370792	162	0.002221627
39	0.000534386	101	0.001384510	163	0.002235356
40	0.000548092	102	0.001398227	164	0.002249085
41	0.000561798	103	0.001411945	165	0.002262815

42	0.000575504	104	0.001425663	166	0.002276544
43	0.000589211	105	0.001439381	167	0.002290274
44	0.000602917	106	0.001453100	168	0.002304004
45	0.000616624	107	0.001466818	169	0.002317734
46	0.000630331	108	0.001480537	170	0.002331465
47	0.000644039	109	0.001494256	171	0.002345195
48	0.000657746	110	0.001507975	172	0.002358926
49	0.000671454	111	0.001521694	173	0.002372657
50	0.000685161	112	0.001535414	174	0.002386388
51	0.000698869	113	0.001549133	175	0.002400120
52	0.000712578	114	0.001562853	176	0.002413851
53	0.000726286	115	0.001576573	177	0.002427583
54	0.000739995	116	0.001590293	178	0.002441315
55	0.000753703	117	0.001604014	179	0.002455047
56	0.000767412	118	0.001617734	180	0.002468779
57	0.000781121	119	0.001631455	181	0.002482511
58	0.000794831	120	0.001645176	182	0.002496244
59	0.000808540	121	0.001658897	183	0.002509977
60	0.000822250	122	0.001672619	184	0.002523710
61	0.000835960	123	0.001686340		
62	0.000849670	124	0.001700062		

366 Day Year

0.5% Compound Rate 184 Days

Days	Factor	Days	Factor	Days	Factor
1	0.000013661	63	0.000861020	125	0.001709097
2	0.000027323	64	0.000874693	126	0.001722782
3	0.000040984	65	0.000888366	127	0.001736467
4	0.000054646	66	0.000902040	128	0.001750152
5	0.000068308	67	0.000915713	129	0.001763837
6	0.000081970	68	0.000929387	130	0.001777522
7	0.000095632	69	0.000943061	131	0.001791208
8	0.000109295	70	0.000956735	132	0.001804893
9	0.000122958	71	0.000970409	133	0.001818579
10	0.000136620	72	0.000984084	134	0.001832265
11	0.000150283	73	0.000997758	135	0.001845951
12	0.000163947	74	0.001011433	136	0.001859638
13	0.000177610	75	0.001025108	137	0.001873324
14	0.000191274	76	0.001038783	138	0.001887011
15	0.000204938	77	0.001052459	139	0.001900698
16	0.000218602	78	0.001066134	140	0.001914385
17	0.000232266	79	0.001079810	141	0.001928073
18	0.000245930	80	0.001093486	142	0.001941760
19	0.000259595	81	0.001107162	143	0.001955448
20	0.000273260	82	0.001120839	144	0.001969136
21	0.000286924	83	0.001134515	145	0.001982824
22	0.000300590	84	0.001148192	146	0.001996512
23	0.000314255	85	0.001161869	147	0.002010201
24	0.000327920	86	0.001175546	148	0.002023889
25	0.000341586	87	0.001189223	149	0.002037578
26	0.000355252	88	0.001202900	150	0.002051267
27	0.000368918	89	0.001216578	151	0.002064957
28	0.000382584	90	0.001230256	152	0.002078646
29	0.000396251	91	0.001243934	153	0.002092336
30	0.000409917	92	0.001257612	154	0.002106025
31	0.000423584	93	0.001271291	155	0.002119715
32	0.000437251	94	0.001284969	156	0.002133405
33	0.000450918	95	0.001298648	157	0.002147096
34	0.000464586	96	0.001312327	158	0.002160786
35	0.000478253	97	0.001326006	159	0.002174477
36	0.000491921	98	0.001339685	160	0.002188168
37	0.000505589	99	0.001353365	161	0.002201859
38	0.000519257	100	0.001367044	162	0.002215550
39	0.000532925	101	0.001380724	163	0.002229242
40	0.000546594	102	0.001394404	164	0.002242933
41	0.000560262	103	0.001408085	165	0.002256625
42	0.000573931	104	0.001421765	166	0.002270317

43	0.000587600	105	0.001435446	167	0.002284010
44	0.000601269	106	0.001449127	168	0.002297702
45	0.000614939	107	0.001462808	169	0.002311395
46	0.000628608	108	0.001476489	170	0.002325087
47	0.000642278	109	0.001490170	171	0.002338780
48	0.000655948	110	0.001503852	172	0.002352473
49	0.000669618	111	0.001517533	173	0.002366167
50	0.000683289	112	0.001531215	174	0.002379860
51	0.000696959	113	0.001544897	175	0.002393554
52	0.000710630	114	0.001558580	176	0.002407248
53	0.000724301	115	0.001572262	177	0.002420942
54	0.000737972	116	0.001585945	178	0.002434636
55	0.000751643	117	0.001599628	179	0.002448331
56	0.000765315	118	0.001613311	180	0.002462025
57	0.000778986	119	0.001626994	181	0.002475720
58	0.000792658	120	0.001640678	182	0.002489415
59	0.000806330	121	0.001654361	183	0.002503110
60	0.000820003	122	0.001668045	184	0.002516806
61	0.000833675	123	0.001681729		
62	0.000847348	124	0.001695413		

TABLE OF INTEREST RATES
PERIODS BEFORE JUL. 1, 1975 - PERIODS ENDING DEC. 31, 1986
OVERPAYMENTS AND UNDERPAYMENTS

PERIOD					RATE	In 1995-1 C.B. DAILY RATE TABLE			
Before		Jul.	1,	1975	6%	Table	2,	pg.	557
Jul.	1,	1975–Jan.	31,	1976	9%	Table	4,	pg.	559
Feb.	1,	1976–Jan.	31,	1978	7%	Table	3,	pg.	558
Feb.	1,	1978–Jan.	31,	1980	6%	Table	2,	pg.	557
Feb.	1,	1980–Jan.	31,	1982	12%	Table	5,	pg.	560
Feb.	1,	1982–Dec.	31,	1982	20%	Table	6,	pg.	560
Jan.	1,	1983–Jun.	30,	1983	16%	Table	37,	pg.	591
Jul.	1,	1983–Dec.	31,	1983	11%	Table	27,	pg.	581
Jan.	1,	1984–Jun.	30,	1984	11%	Table	75,	pg.	629
Jul.	1,	1984–Dec.	31,	1984	11%	Table	75,	pg.	629
Jan.	1,	1985–Jun.	30,	1985	13%	Table	31,	pg.	585
Jul.	1,	1985–Dec.	31,	1985	11%	Table	27,	pg.	581
Jan.	1,	1986–Jun.	30,	1986	10%	Table	25,	pg.	579
Jul.	1,	1986–Dec.	31,	1986	9%	Table	23,	pg.	577

TABLE OF INTEREST RATES
FROM JAN. 1, 1987 - Dec. 31, 1998

					OVERPAYMENTS 1995-1 C.B.			UNDERPAYMENTS 1995-1 C.B. RATE		
					RATE	TABLE	PG	RATE	TABLE	PG
Jan.	1,	1987–Mar.	31,	1987	8%	21	575	9%	23	577
Apr.	1,	1987–Jun.	30,	1987	8%	21	575	9%	23	577
Jul.	1,	1987–Sep.	30,	1987	8%	21	575	9%	23	577
Oct.	1,	1987–Dec.	31,	1987	9%	23	577	10%	25	579
Jan.	1,	1988–Mar.	31,	1988	10%	73	627	11%	75	629
Apr.	1,	1988–Jun.	30,	1988	9%	71	625	10%	73	627
Jul.	1,	1988–Sep.	30,	1988	9%	71	625	10%	73	627
Oct.	1,	1988–Dec.	31,	1988	10%	73	627	11%	75	629
Jan.	1,	1989–Mar.	31,	1989	10%	25	579	11%	27	581
Apr.	1,	1989–Jun.	30,	1989	11%	27	581	12%	29	583
Jul.	1,	1989–Sep.	30,	1989	11%	27	581	12%	29	583
Oct.	1,	1989–Dec.	31,	1989	10%	25	579	11%	27	581
Jan.	1,	1990–Mar.	31,	1990	10%	25	579	11%	27	581
Apr.	1,	1990–Jun.	30,	1990	10%	25	579	11%	27	581
Jul.	1,	1990–Sep.	30,	1990	10%	25	579	11%	27	581
Oct.	1,	1990–Dec.	31,	1990	10%	25	579	11%	27	581
Jan.	1,	1991–Mar.	31,	1991	10%	25	579	11%	27	581

Apr.	1,	1991–Jun.	30,	1991	9%	23	577	10%	25	579
Jul.	1,	1991–Sep.	30,	1991	9%	23	577	10%	25	579
Oct.	1,	1991–Dec.	31,	1991	9%	23	577	10%	25	579
Jan.	1,	1992–Mar.	31,	1992	8%	69	623	9%	71	625
Apr.	1,	1992–Jun.	30,	1992	7%	67	621	8%	69	623
Jul.	1,	1992–Sep.	30,	1992	7%	67	621	8%	69	623
Oct.	1,	1992–Dec.	31,	1992	6%	65	619	7%	67	621
Jan.	1,	1993–Mar.	31,	1993	6%	17	571	7%	19	573
Apr.	1,	1993–Jun.	30,	1993	6%	17	571	7%	19	573
Jul.	1,	1993–Sep.	30,	1993	6%	17	571	7%	19	573
Oct.	1,	1993–Dec.	31,	1993	6%	17	571	7%	19	573
Jan.	1,	1994–Mar.	31,	1994	6%	17	571	7%	19	573
Apr.	1,	1994–Jun.	30,	1994	6%	17	571	7%	19	573
Jul.	1,	1994–Sep.	30,	1994	7%	19	573	8%	21	575
Oct.	1,	1994–Dec.	31,	1994	8%	21	575	9%	23	577
Jan.	1,	1995–Mar.	31,	1995	8%	21	575	9%	23	577
Apr.	1,	1995–Jun.	30,	1995	9%	23	577	10%	25	579
Jul.	1,	1995–Sep.	30,	1995	8%	21	575	9%	23	577
Oct.	1,	1995–Dec.	31,	1995	8%	21	575	9%	23	577
Jan.	1,	1996–Mar.	31,	1996	8%	69	623	9%	71	625
Apr.	1,	1996–Jun.	30,	1996	7%	67	621	8%	69	623
Jul.	1,	1996–Sep.	30,	1996	8%	69	623	9%	71	625
Oct.	1,	1996–Dec.	31,	1996	8%	69	623	9%	71	625
Jan.	1,	1997–Mar.	31,	1997	8%	21	575	9%	23	577
Apr.	1,	1997–Jun.	30,	1997	8%	21	575	9%	23	577
Jul.	1,	1997–Sep.	30,	1997	8%	21	575	9%	23	577
Oct.	1,	1997–Dec.	31,	1997	8%	21	575	9%	23	577
Jan.	1,	1998–Mar.	31,	1998	8%	21	575	9%	23	577
Apr.	1,	1998–Jun.	30,	1998	7%	19	573	8%	21	575
Jul.	1,	1998–Sep.	30,	1998	7%	19	573	8%	21	575
Oct.	1,	1998–Dec.	31,	1998	7%	19	573	8%	21	575

TABLE OF INTEREST RATES
FROM JANUARY 1, 1999 - PRESENT
NONCORPORATE OVERPAYMENTS AND UNDERPAYMENTS

						1995-1 C.B.	
					RATE	TABLE	PAGE
Jan.	1,	1999–Mar.	31,	1999	7%	19	573
Apr.	1,	1999–Jun.	30,	1999	8%	21	575
Jul.	1,	1999–Sep.	30,	1999	8%	21	575
Oct.	1,	1999–Dec.	31,	1999	8%	21	575
Jan.	1,	2000–Mar.	31,	2000	8%	69	623
Apr.	1,	2000–Jun.	30,	2000	9%	71	625
Jul.	1,	2000–Sep.	30,	2000	9%	71	625
Oct.	1,	2000–Dec.	31,	2000	9%	71	625
Jan.	1,	2001–Mar.	31,	2001	9%	23	577
Apr.	1,	2001–Jun.	30,	2001	8%	21	575
Jul.	1,	2001–Sep.	30,	2001	7%	19	573
Oct.	1,	2001–Dec.	31,	2001	7%	19	573
Jan.	1,	2002–Mar.	31,	2002	6%	17	571
Apr.	1,	2002–Jun.	30,	2002	6%	17	571
Jul.	1,	2002–Sep.	30,	2002	6%	17	571
Oct.	1,	2002–Dec.	31,	2002	6%	17	571
Jan.	1,	2003–Mar.	31,	2003	5%	15	569
Apr.	1,	2003–Jun.	30,	2003	5%	15	569
Jul.	1,	2003–Sep.	30,	2003	5%	15	569
Oct.	1,	2003–Dec.	31,	2003	4%	13	567
Jan.	1,	2004–Mar.	31,	2004	4%	61	615
Apr.	1,	2004–Jun.	30,	2004	5%	63	617
Jul.	1,	2004–Sep.	30,	2004	4%	61	615
Oct.	1,	2004–Dec.	31,	2004	5%	63	617
Jan.	1,	2005–Mar.	31,	2005	5%	15	569
Apr.	1,	2005–Jun.	30,	2005	6%	17	571
Jul.	1,	2005–Sep.	30,	2005	6%	17	571
Oct.	1,	2005–Dec.	31,	2005	7%	19	573
Jan.	1,	2006–Mar.	31,	2006	7%	19	573
Apr.	1,	2006–Jun.	30,	2006	7%	19	573
Jul.	1,	2006–Sep.	30,	2006	8%	21	575
Oct.	1,	2006–Dec.	31,	2006	8%	21	575
Jan.	1,	2007–Mar.	31,	2007	8%	21	575
Apr.	1,	2007–Jun.	30,	2007	8%	21	575
Jul.	1,	2007–Sep.	30,	2007	8%	21	575
Oct.	1,	2007–Dec.	31,	2007	8%	21	575
Jan.	1,	2008–Mar.	31,	2008	7%	67	621
Apr.	1,	2008–Jun.	30,	2008	6%	65	619
Jul.	1,	2008–Sep.	30,	2008	5%	63	617

Oct.	1,	2008–Dec.	31,	2008	6%	65	619
Jan.	1,	2009–Mar.	31,	2009	5%	15	569
Apr.	1,	2009–Jun.	30,	2009	4%	13	567
Jul.	1,	2009–Sep.	30,	2009	4%	13	567
Oct.	1,	2009–Dec.	31,	2009	4%	13	567
Jan.	1,	2010–Mar.	31,	2010	4%	13	567
Apr.	1,	2010–Jun.	30,	2010	4%	13	567
Jul.	1,	2010–Sep.	30,	2010	4%	13	567
Oct.	1,	2010–Dec.	31,	2010	4%	13	567
Jan.	1,	2011–Mar.	31,	2011	3%	11	565
Apr.	1,	2011–Jun.	30,	2011	4%	13	567
Jul.	1,	2011-—Sep.	30,	2011	4%	13	567
Oct.	1,	2011–Dec.	31,	2011	3%	11	565
Jan.	1,	2012–Mar.	31,	2012	3%	59	613
Apr.	1,	2012–Jun.	30,	2012	3%	59	613
Jul.	1,	2012–Sep.	30,	2012	3%	59	613
Oct.	1,	2012–Dec.	31,	2012	3%	59	613
Jan.	1,	2013–Mar.	31,	2013	3%	11	565
Apr.	1,	2013–Jun.	30,	2013	3%	11	565
Jul.	1,	2013–Sep.	30,	2013	3%	11	565
Oct.	1,	2013–Dec.	31,	2013	3%	11	565
Jan.	1,	2014–Mar.	31,	2014	3%	11	565
Apr.	1,	2014–Jun.	30,	2014	3%	11	565
Jul.	1,	2014–Sep.	30,	2014	3%	11	565
Oct.	1,	2014–Dec.	31,	2014	3%	11	565
Jan.	1,	2015–Mar.	31,	2015	3%	11	565
Apr.	1,	2015–Jun.	30,	2015	3%	11	565
Jul.	1,	2015–Sep.	30,	2015	3%	11	565
Oct.	1.	2015–Dec.	31,	2015	3%	11	565
Jan.	1,	2016–Mar.	31,	2016	3%	59	613
Apr.	1,	2016–Jun.	30,	2016	4%	61	615
Jul.	1,	2016–Sep.	30,	2016	4%	61	615
Oct.	1,	2016–Dec.	31,	2016	4%	61	615
Jan.	1,	2017–Mar.	31,	2017	4%	13	567
Apr.	1,	2017–Jun.	30,	2017	4%	13	567
Jul.	1,	2017–Sep.	30,	2017	4%	13	567
Oct.	1,	2017–Dec.	31,	2017	4%	13	567
Jan.	1,	2018–Mar.	31,	2018	4%	13	567
Apr.	1,	2018–Jun.	30,	2018	5%	15	569
Jul.	1,	2018–Sep.	30,	2018	5%	15	569
Oct.	1,	2018–Dec.	31,	2018	5%	15	569
Jan.	1,	2019–Mar.	31,	2019	6%	17	571
Apr.	1,	2019–Jun.	30,	2019	6%	17	571
Jul.	1,	2019–Sep.	30,	2019	5%	15	569

Oct.	1,	2019–Dec.	31,	2019	5%	15	569
Jan.	1,	2020–Mar.	31,	2020	5%	63	617
Apr.	1,	2020–Jun.	30,	2020	5%	63	617
Jul.	1,	2020–Sep.	30,	2020	3%	59	613
Oct.	1,	2020–Dec.	31,	2020	3%	59	613

TABLE OF INTEREST RATES
FROM JANUARY 1, 1999 - PRESENT
CORPORATE OVERPAYMENTS AND UNDERPAYMENTS

					OVERPAYMENTS 1995-1 C.B.			UNDERPAYMENTS 1995-1 C.B.		
					RATE	TABLE	PG	RATE	TABLE	PG
Jan.	1,	1999–Mar.	31,	1999	6%	17	571	7%	19	573
Apr.	1,	1999–Jun.	30,	1999	7%	19	573	8%	21	575
Jul.	1,	1999–Sep.	30,	1999	7%	19	573	8%	21	575
Oct.	1,	1999–Dec.	31,	1999	7%	19	573	8%	21	575
Jan.	1,	2000–Mar.	31,	2000	7%	67	621	8%	69	623
Apr.	1,	2000–Jun.	30,	2000	8%	69	623	9%	71	625
Jul.	1,	2000–Sep.	30,	2000	8%	69	623	9%	71	625
Oct.	1,	2000–Dec.	31,	2000	8%	69	623	9%	71	625
Jan.	1,	2001–Mar.	31,	2001	8%	21	575	9%	23	577
Apr.	1,	2001–Jun.	30,	2001	7%	19	573	8%	21	575
Jul.	1,	2001–Sep.	30,	2001	6%	17	571	7%	19	573
Oct.	1,	2001–Dec.	31,	2001	6%	17	571	7%	19	573
Jan.	1,	2002–Mar.	31,	2002	5%	15	569	6%	17	571
Apr.	1,	2002–Jun.	30,	2002	5%	15	569	6%	17	571
Jul.	1,	2002–Sep.	30,	2002	5%	15	569	6%	17	571
Oct.	1,	2002–Dec.	31,	2002	5%	15	569	6%	17	571
Jan.	1,	2003–Mar.	31,	2003	4%	13	567	5%	15	569
Apr.	1,	2003–Jun.	30,	2003	4%	13	567	5%	15	569
Jul.	1,	2003–Sep.	30,	2003	4%	13	567	5%	15	569
Oct.	1,	2003–Dec.	31,	2003	3%	11	565	4%	13	567
Jan.	1,	2004–Mar.	31,	2004	3%	59	613	4%	61	615
Apr.	1,	2004–Jun.	30,	2004	4%	61	615	5%	63	617
Jul.	1,	2004–Sep.	30,	2004	3%	59	613	4%	61	615
Oct.	1,	2004–Dec.	31,	2004	4%	61	615	5%	63	617
Jan.	1,	2005–Mar.	31,	2005	4%	13	567	5%	15	569
Apr.	1,	2005–Jun.	30,	2005	5%	15	569	6%	17	571
Jul.	1,	2005–Sep.	30,	2005	5%	15	569	6%	17	571
Oct.	1,	2005–Dec.	31,	2005	6%	17	571	7%	19	573
Jan.	1,	2006–Mar.	31,	2006	6%	17	571	7%	19	573
Apr.	1,	2006–Jun.	30,	2006	6%	17	571	7%	19	573
Jul.	1,	2006–Sep.	30,	2006	7%	19	573	8%	21	575
Oct.	1,	2006–Dec.	31,	2006	7%	19	573	8%	21	575
Jan.	1,	2007–Mar.	31,	2007	7%	19	573	8%	21	575
Apr.	1,	2007–Jun.	30,	2007	7%	19	573	8%	21	575
Jul.	1,	2007–Sep.	30,	2007	7%	19	573	8%	21	575
Oct.	1,	2007–Dec.	31,	2007	7%	19	573	8%	21	575
Jan.	1,	2008–Mar.	31,	2008	6%	65	619	7%	67	621
Apr.	1,	2008–Jun.	30,	2008	5%	63	617	6%	65	619
Jul.	1,	2008–Sep.	30,	2008	4%	61	615	5%	63	617

Oct.	1,	2008–Dec.	31,	2008	5%	63	617	6%	65	619
Jan.	1,	2009–Mar.	31,	2009	4%	13	567	5%	15	569
Apr.	1,	2009–Jun.	30,	2009	3%	11	565	4%	13	567
Jul.	1,	2009–Sep.	30,	2009	3%	11	565	4%	13	567
Oct.	1,	2009–Dec.	31,	2009	3%	11	565	4%	13	567
Jan.	1,	2010–Mar.	31,	2010	3%	11	565	4%	13	567
Apr.	1,	2010–Jun.	30,	2010	3%	11	565	4%	13	567
Jul.	1,	2010–Sep.	30,	2010	3%	11	565	4%	13	567
Oct.	1,	2010–Dec.	31,	2010	3%	11	565	4%	13	567
Jan.	1,	2011–Mar.	31,	2011	2%	9	563	3%	11	565
Apr.	1,	2011–Jun.	30,	2011	3%	11	565	4%	13	567
Jul.	1,	2011–Sep.	30,	2011	3%	11	565	4%	13	567
Oct.	1,	2011–Dec.	31,	2011	2%	9	563	3%	11	565
Jan.	1,	2012–Mar.	31,	2012	2%	57	611	3%	59	613
Apr.	1,	2012–Jun.	30,	2012	2%	57	611	3%	59	613
Jul.	1,	2012–Sep.	30,	2012	2%	57	611	3%	59	613
Oct.	1,	2012–Dec.	31,	2012	2%	57	611	3%	59	613
Jan.	1,	2013–Mar.	31,	2013	2%	9	563	3%	11	565
Apr.	1,	2013–Jun.	30,	2013	2%	9	563	3%	11	565
Jul.	1,	2013–Sep.	30,	2013	2%	9	563	3%	11	565
Oct.	1,	2013–Dec.	31,	2013	2%	9	563	3%	11	565
Jan.	1,	2014–Mar.	31,	2014	2%	9	563	3%	11	565
Apr.	1,	2014–Jun.	30,	2014	2%	9	563	3%	11	565
Jul.	1,	2014–Sep.	30,	2014	2%	9	563	3%	11	565
Oct.	1,	2014–Dec.	31,	2014	2%	9	563	3%	11	565
Jan.	1,	2015–Mar.	31,	2015	2%	9	563	3%	11	565
Apr.	1,	2015—Jun.	30,	2015	2%	9	563	3%	11	565
Jul.	1,	2015–Sep.	30,	2015	2%	9	563	3%	11	565
Oct.	1,	2015–Dec.	31,	2015	2%	9	563	3%	11	565
Jan.	1,	2016–Mar.	31,	2016	2%	57	611	3%	59	613
Apr.	1,	2016–Jun.	30,	2016	3%	59	613	4%	61	615
Jul.	1,	2016–Sep.	30,	2016	3%	59	613	4%	61	615
Oct.	1,	2016–Dec.	31,	2016	3%	59	613	4%	61	615
Jan.	1,	2017–Mar.	31,	2017	3%	11	565	4%	13	567
Apr.	1,	2017–Jun.	30,	2017	3%	11	565	4%	13	567
Jul.	1,	2017–Sep.	30,	2017	3%	11	565	4%	13	567
Oct.	1,	2017–Dec.	31,,	2017	3%	11	565	4%	13	567
Jan.	1,	2018–Mar.	31,	2018	3%	11	565	4%	13	567
Apr.	1,	2018–Jun.	30,	2018	4%	13	567	5%	15	569
Jul.	1,	2018–Sep.	30,	2018	4%	13	567	5%	15	569
Oct.	1,	2018–Dec.	31,	2018	4%	13	567	5%	15	569
Jan.	1,	2019–Mar.	31,	2019	5%	15	569	6%	17	571
Apr.	1,	2019–Jun.	30,	2019	5%	15	569	6%	17	571
Jul.	1,	2019–Sep.	30,	2019	4%	13	567	5%	15	569
Oct.	1,	2019–Dec.	31,	2019	4%	13	567	5%	15	569

Jan.	1,	2020–Mar.	31,	2020	4%	61	615	5%	63	617
Apr.	1,	2020–Jun.	30,	2020	4%	61	615	5%	63	617
Jul.	1,	2020–Sep.	30,	2020	2%	57	611	3%	59	613
Oct.	1,	2020–Dec.	31,	2020	2%	57	611	3%	59	613

TABLE OF INTEREST RATES
FOR LARGE CORPORATE UNDERPAYMENTS
FROM JANUARY 1, 1991 - PRESENT

						1995-1 C.B.	
					RATE	TABLE	PG
Jan.	1,	1991–Mar.	31,	1991	13%	31	585
Apr.	1,	1991–Jun.	30,	1991	12%	29	583
Jul.	1,	1991–Sep.	30,	1991	12%	29	583
Oct.	1,	1991–Dec.	31,	1991	12%	29	583
Jan.	1,	1992–Mar.	31,	1992	11%	75	629
Apr.	1,	1992–Jun.	30,	1992	10%	73	627
Jul.	1,	1992–Sep.	30,	1992	10%	73	627
Oct.	1,	1992–Dec.	31,	1992	9%	71	625
Jan.	1,	1993–Mar.	31,	1993	9%	23	577
Apr.	1,	1993–Jun.	30,	1993	9%	23	577
Jul.	1,	1993–Sep.	30,	1993	9%	23	577
Oct.	1,	1993–Dec.	31,	1993	9%	23	577
Jan.	1,	1994–Mar.	31,	1994	9%	23	577
Apr.	1,	1994–Jun.	30,	1994	9%	23	577
Jul.	1,	1994–Sep.	30,	1994	10%	25	579
Oct.	1,	1994–Dec.	31,	1994	11%	27	581
Jan.	1,	1995–Mar.	31,	1995	11%	27	581
Apr.	1,	1995–Jun.	30,	1995	12%	29	583
Jul.	1,	1995–Sep.	30,	1995	11%	27	581
Oct.	1,	1995–Dec.	31,	1995	11%	27	581
Jan.	1,	1996–Mar.	31,	1996	11%	75	629
Apr.	1,	1996–Jun.	30,	1996	10%	73	627
Jul.	1,	1996–Sep.	30,	1996	11%	75	629
Oct.	1,	1996–Dec.	31,	1996	11%	75	629
Jan.	1,	1997–Mar.	31,	1997	11%	27	581
Apr.	1,	1997–Jun.	30,	1997	11%	27	581
Jul.	1,	1997–Sep.	30,	1997	11%	27	581
Oct.	1,	1997–Dec.	31,	1997	11%	27	581
Jan.	1,	1998–Mar.	31,	1998	11%	27	581
Apr.	1,	1998–Jun.	30,	1998	10%	25	579
Jul.	1,	1998–Sep.	30,	1998	10%	25	579
Oct.	1,	1998–Dec.	31,	1998	10%	25	579
Jan.	1,	1999–Mar.	31,	1999	9%	23	577
Apr.	1,	1999–Jun.	30,	1999	10%	25	579
Jul.	1,	1999–Sep.	30,	1999	10%	25	579
Oct.	1,	1999–Dec.	31,	1999	10%	25	579
Jan.	1,	2000–Mar.	31,	2000	10%	73	627
Apr.	1,	2000–Jun.	30,	2000	11%	75	629
Jul.	1,	2000–Sep.	30,	2000	11%	75	629
Oct.	1,	2000–Dec.	31,	2000	11%	75	629
Jan.	1,	2001–Mar.	31,	2001	11%	27	581

Apr.	1,	2001–Jun.	30,	2001	10%	25	579
Jul.	1,	2001–Sep.	30,	2001	9%	23	577
Oct.	1,	2001–Dec.	31,	2001	9%	23	577
Jan.	1,	2002–Mar.	31,	2002	8%	21	575
Apr.	1,	2002–Jun.	30,	2002	8%	21	575
Jul.	1,	2002–Sep.	30,	2002	8%	21	575
Oct.	1,	2002–Dec.	31,	2002	8%	21	575
Jan.	1,	2003–Mar.	31,	2003	7%	19	573
Apr.	1,	2003–Jun.	30,	2003	7%	19	573
Jul.	1,	2003–Sep.	30,	2003	7%	19	573
Oct.	1,	2003–Dec.	31,	2003	6%	17	571
Jan.	1,	2004–Mar.	31,	2004	6%	65	619
Apr.	1,	2004–Jun.	30,	2004	7%	67	621
Jul.	1,	2004–Sep.	30,	2004	6%	65	619
Oct.	1,	2004–Dec.	31,	2004	7%	67	621
Jan.	1,	2005–Mar.	31,	2005	7%	19	573
Apr.	1,	2005–Jun.	30,	2005	8%	21	575
Jul.	1,	2005–Sep.	30,	2005	8%	21	575
Oct.	1,	2005–Dec.	31,	2005	9%	23	577
Jan.	1,	2006–Mar.	31,	2006	9%	23	577
Apr.	1,	2006–Jun.	30,	2006	9%	23	577
Jul.	1,	2006–Sep.	30,	2006	10%	25	579
Oct.	1,	2006–Dec.	31,	2006	10%	25	579
Jan.	1,	2007–Mar.	31,	2007	10%	25	579
Apr.	1,	2007–Jun.	30,	2007	10%	25	579
Jul.	1,	2007–Sep.	30,	2007	10%	25	579
Oct.	1,	2007–Dec.	31,	2007	10%	25	579
Jan.	1,	2008–Mar.	31,	2008	9%	71	625
Apr.	1,	2008–Jun.	30,	2008	8%	69	623
Jul.	1,	2008–Sep.	30,	2008	7%	67	621
Oct.	1,	2008–Dec.	31,	2008	8%	69	623
Jan.	1,	2009–Mar.	31,	2009	7%	19	573
Apr.	1,	2009–Jun.	30,	2009	6%	17	571
Jul.	1,	2009–Sep.	30,	2009	6%	17	571
Oct.	1,	2009–Dec.	31,	2009	6%	17	571
Jan.	1,	2010–Mar.	31,	2010	6%	17	571
Apr.	1,	2010–Jun.	30,	2010	6%	17	571
Jul.	1,	2010–Sep.	30,	2010	6%	17	571
Oct.	1,	2010–Dec.	31,	2010	6%	17	571
Jan.	1,	2011–Mar.	31,	2011	5%	15	569
Apr.	1,	2011–Jun.	30,	2011	6%	17	571
Jul.	1,	2011–Sep.	30,	2011	6%	17	571
Oct.	1,	2011–Dec.	31,	2011	5%	15	569
Jan.	1,	2012–Mar.	31,	2012	5%	63	617
Apr.	1,	2012–Jun.	30,	2012	5%	63	617

Jul.	1,	2012–Sep.	30,	2012	5%	63	617
Oct.	1,	2012–Dec.	31,	2012	5%	63	617
Jan.	1,	2013–Mar.	31,	2013	5%	15	569
Apr.	1,	2013–Jun.	30,	2013	5%	15	569
Jul.	1,	2013–Sep.	30,	2013	5%	15	569
Oct.	1,	2013–Dec.	31,	2013	5%	15	569
Jan.	1,	2014–Mar.	31,	2014	5%	15	569
Apr.	1,	2014–Jun.	30,	2014	5%	15	569
Jul.	1,	2014–Sep.	30,	2014	5%	15	569
Oct.	1,	2014–Dec.	31,	2014	5%	15	569
Jan.	1,	2015–Mar.	31,	2015	5%	15	569
Apr.	1,	2015–Jun.	30,	2015	5%	15	569
Jul.	1,	2015–Sep.	30,	2015	5%	15	569
Oct.	1,	2015–Dec.	31,	2015	5%	15	569
Jan.	1,	2016–Mar.	31,	2016	5%	63	617
Apr.	1,	2016-—Jun.	30,	2016	6%	65	619
Jul.	1,	2016-—Sep.	30,	2016	6%	65	619
Oct.	1,	2016-—Dec.	31,	2016	6%	65	619
Jan.	1,	2017–Mar.	31,	2017	6%	17	571
Apr.	1,	2017–Jun.	30,	2017	6%	17	571
Jul.	1,	2017–Sep.	30,	2017	6%	17	571
Oct.	1,	2017–Dec.	31,	2017	6%	17	571
Jan.	1,	2018–Mar.	31,	2018	6%	17	571
Apr.	1,	2018–Jun.	30,	2018	7%	19	573
Jul.	1,	2018–Sep.	30,	2018	7%	19	573
Oct.	1,	2018–Dec.	31,	2018	7%	19	573
Jan.	1,	2019–Mar.	31,	2019	8%	21	575
Apr.	1,	2019–Jun.	30,	2019	8%	21	575
Jul.	1,	2019–Sep.	30,	2019	7%	19	573
Oct.	1,	2019–Dec.	31,	2019	7%	19	573
Jan.	1,	2020–Mar.	31,	2020	7%	67	621
Apr.	1,	2020–Jun.	30,	2020	7%	67	621
Jul.	1,	2020–Sep.	30,	2020	5%	63	617
Oct.	1,	2020–Dec.	31,	2020	5%	63	617

TABLE OF INTEREST RATES FOR CORPORATE
OVERPAYMENTS EXCEEDING $10,000
FROM JANUARY 1, 1995 – PRESENT

						1995-1 C.B.	
					RATE	TABLE	PG
Jan.	1,	1995–Mar.	31,	1995	6.5%	18	572
Apr.	1,	1995–Jun.	30,	1995	7.5%	20	574
Jul.	1,	1995–Sep.	30,	1995	6.5%	18	572
Oct.	1,	1995–Dec.	31,	1995	6.5%	18	572
Jan.	1,	1996–Mar.	31,	1996	6.5%	66	620
Apr.	1,	1996–Jun.	30,	1996	5.5%	64	618
Jul.	1,	1996–Sep.	30,	1996	6.5%	66	620
Oct.	1,	1996–Dec.	31,	1996	6.5%	66	620
Jan.	1,	1997–Mar.	31,	1997	6.5%	18	572
Apr.	1,	1997–Jun.	30,	1997	6.5%	18	572
Jul.	1,	1997–Sep.	30,	1997	6.5%	18	572
Oct.	1,	1997–Dec.	31,	1997	6.5%	18	572
Jan.	1,	1998–Mar.	31,	1998	6.5%	18	572
Apr.	1,	1998–Jun.	30,	1998	5.5%	16	570
Jul.	1.	1998–Sep.	30,	1998	5.5%	16	570
Oct.	1,	1998–Dec.	31,	1998	5.5%	16	570
Jan.	1,	1999–Mar.	31,	1999	4.5%	14	568
Apr.	1,	1999–Jun.	30,	1999	5.5%	16	570
Jul.	1,	1999–Sep.	30,	1999	5.5%	16	570
Oct.	1,	1999–Dec.	31,	1999	5.5%	16	570
Jan.	1,	2000–Mar.	31,	2000	5.5%	64	618
Apr.	1,	2000–Jun.	30,	2000	6.5%	66	620
Jul.	1,	2000–Sep.	30,	2000	6.5%	66	620
Oct.	1,	2000–Dec.	31,	2000	6.5%	66	620
Jan.	1,	2001–Mar.	31,	2001	6.5%	18	572
Apr.	1,	2001–Jun.	30,	2001	5.5%	16	570
Jul.	1,	2001–Sep.	30,	2001	4.5%	14	568
Oct.	1,	2001–Dec.	31,	2001	4.5%	14	568
Jan.	1,	2002–Mar.	31,	2002	3.5%	12	566
Apr.	1,	2002–Jun.	30,	2002	3.5%	12	566
Jul.	1,	2002–Sep.	30,	2002	3.5%	12	566
Oct.	1,	2002–Dec.	31,	2002	3.5%	12	566
Jan.	1,	2003–Mar.	31,	2003	2.5%	10	564
Apr.	1,	2003–Jun.	30,	2003	2.5%	10	564
Jul.	1,	2003–Sep.	30,	2003	2.5%	10	564
Oct.	1,	2003–Dec.	31,	2003	1.5%	8	562
Jan.	1,	2004–Mar.	31,	2004	1.5%	56	610
Apr.	1,	2004–Jun.	30,	2004	2.5%	58	612

Jul.	1,	2004–Sep.	30,	2004	1.5%	56	610
Oct.	1,	2004–Dec.	31,	2004	2.5%	58	612
Jan.	1,	2005–Mar.	31,	2005	2.5%	10	564
Apr.	1,	2005–Jun.	30,	2005	3.5%	12	566
Jul.	1,	2005–Sep.	30,	2005	3.5%	12	566
Oct.	1,	2005–Dec.	31,	2005	4.5%	14	568
Jan.	1,	2006–Mar.	31,	2006	4.5%	14	568
Apr.	1,	2006–Jun.	30,	2006	4.5%	14	568
Jul.	1,	2006–Sep.	30,	2006	5.5%	16	570
Oct.	1,	2006–Dec.	31,	2006	5.5%	16	570
Jan.	1,	2007–Mar.	31,	2007	5.5%	16	570
Apr.	1,	2007–Jun.	30,	2007	5.5%	16	570
Jul.	1,	2007–Sep.	30,	2007	5.5%	16	570
Oct.	1,	2007–Dec.	31,	2007	5.5%	16	570
Jan.	1,	2008–Mar.	31,	2008	4.5%	62	616
Apr.	1,	2008–Jun.	30,	2008	3.5%	60	614
Jul.	1,	2008–Sep.	30,	2008	2.5%	58	612
Oct.	1,	2008–Dec.	31,	2008	3.5%	60	614
Jan.	1,	2009–Mar.	31,	2009	2.5%	10	564
Apr.	1,	2009–Jun.	30,	2009	1.5%	8	562
Jul.	1,	2009–Sep.	30,	2009	1.5%	8	562
Oct.	1,	2009–Dec.	31,	2009	1.5%	8	562
Jan.	1,	2010–Mar.	31,	2010	1.5%	8	562
Apr.	1,	2010–Jun.	30,	2010	1.5%	8	562
Jul.	1,	2010–Sep.	30,	2010	1.5%	8	562
Oct.	1,	2010–Dec.	31,	2010	1.5%	8	562
Jan.	1,	2011–Mar.	31,	2011	0.5%*		
Apr.	1,	2011–Jun.	30,	2011	1.5%	8	562
Jul.	1,	2011-—Sep.	30,	2011	1.5%	8	562
Oct.	1,	2011–Dec.	31,	2011	0.5%*		
Jan.	1,	2012–Mar.	31,	2012	0.5%*		
Apr.	1,	2012–Jun.	30,	2012	0.5%*		
Jul.	1,	2012–Sep.	30,	2012	0.5%*		
Oct.	1,	2012–Dec.	31,	2012	0.5%*		
Jan.	1,	2013–Mar.	31,	2013	0.5%*		
Apr.	1,	2013–Jun.	30,	2013	0.5%*		
Jul.	1,	2013–Sep.	30,	2013	0.5%*		
Oct.	1,	2013–Dec.	31,	2013	0.5%*		
Jan.	1,	2014–Mar.	31,	2014	0.5%*		
Apr.	1,	2014–Jun.	30,	2014	0.5%*		
Jul.	1,	2014–Sep.	30,	2014	0.5%*		
Oct.	1,	2014–Dec.	31,	2014	0.5%*		

Jan.	1,	2015–Mar.	31,	2015	0.5%*		
Apr.	1,	2015–Jun.	30,	2015	0.5%*		
Jul.	1,	2015–Sep.	30,	2015	0.5%*		
Oct.	1,	2015–Dec.	31,	2015	0.5%*		
Jan.	1,	2016–Mar.	31,	2016	0.5%*		
Apr.	1,	2016–Jun.	30,	2016	1.5%	56	610
Jul.	1,	2016–Sep.	30,	2016	1.5%	56	610
Oct.	1,	2016–Dec.	31,	2016	1.5%	56	610
Jan.	1,	2017–Mar.	31,	2017	1.5%	8	562
Apr.	1,	2017–Jun.	30,	2017	1.5%	8	562
Jul.	1,	2017–Sep.	30,	2017	1.5%	8	562
Oct.	1,	2017–Dec.	31,	2017	1.5%	8	562
Jan.	1,	2018–Mar.	31,	2018	1.5%	8	562
Apr.	1,	2018–Jun.	30,	2018	2.5%	10	564
Jul.	1,	2018–Sep.	30,	2018	2.5%	10	564
Oct.	1,	2018–Dec.	31,	2018	2.5%	10	564
Jan.	1,	2019–Mar.	31,	2019	3.5%	12	566
Apr.	1,	2019–Jun.	30,	2019	3.5%	12	566
Jul.	1,	2019–Sep.	30,	2019	2.5%	10	564
Oct.	1,	2019–Dec.	31,	2019	2.5%	10	564
Jan.	1,	2020–Mar.	31,	2020	2.5%	58	612
Apr.	1,	2020–Jun.	30,	2020	2.5%	58	612
Jul.	1,	2020–Sep.	30,	2020	0.5%*		
Oct.	1,	2020–Dec.	31,	2020	0.5%*		

* The asterisk reflects the interest factors for daily compound interest for annual rates of 0.5 percent published in Appendix A of this Revenue Ruling.

Part III

S Corporation Guidance under Section 958 (Rules for Determining Stock Ownership) and Guidance Regarding the Treatment of Qualified Improvement Property under the Alternative Depreciation System for Purposes of the QBAI Rules for FDII and GILTI

Notice 2020-69

SECTION 1. OVERVIEW

This notice announces that the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) intend to issue regulations addressing the application of §§ 951 and 951A of the Internal Revenue Code (Code) to certain S corporations (as defined in § 1361(a)(1)) with accumulated earnings and profits, as described in § 316(a)(1) (AE&P). This notice also announces that the Treasury Department and the IRS intend to issue regulations addressing the treatment of qualified improvement property (QIP) under the alternative depreciation system (ADS) of § 168(g) for purposes of calculating qualified business asset investment (QBAI) for purposes of the foreign-derived intangible income (FDII) and global intangible low-taxed income (GILTI) provisions, which were added to the Code by the enactment of Public Law No. 115-97, 131 Stat. 2054 (2017), commonly referred to as the Tax Cuts and Jobs Act (TCJA).

Section 2 of this notice provides a summary of the current and proposed treatment of domestic partnerships for purposes of §§ 951 and 951A and the application of these rules to S corporations under § 1373(a). Section 2 of this notice also provides background on §§ 168, 250, and 951A as they relate to QBAI for purposes of FDII and GILTI and the treatment of QIP under the ADS. Section 3 of this notice describes proposed regulations that the Treasury Department and the IRS intend to issue concerning the application of §§ 951 and 951A to S corporations (forthcoming S corporation regulations). Section 4 of this notice describes proposed regulations that the Treasury Department and the IRS intend to issue concerning the treatment of QIP under the ADS for purposes of calculating QBAI for FDII and GILTI (forthcoming QIP-QBAI regulations). Section 5 of this notice describes the proposed applicability dates of the forthcoming regulations. Section 6 of this notice requests comments. Section 7 of this notice provides information regarding collections of information. Section 8 of this notice provides drafting and contact information.

SECTION 2. BACKGROUND

.01 *Overview of §§ 951 and 951A*

Section 951(a) of the Code generally requires a United States shareholder (as defined in § 951(b)) (U.S. shareholder), to include in its gross income its pro rata share of subpart F income (as defined in § 952) of a controlled foreign corporation (as defined in § 957) (CFC) and the amount determined under § 956 with respect to such shareholder for such year (but only to the extent not excluded from gross income under § 959(a)(2)) (subpart F inclusion).

Section 951A(a) requires a U.S. shareholder of any CFC for any taxable year to include in gross income the shareholder's GILTI for such taxable year (GILTI inclusion amount). The U.S. shareholder's GILTI inclusion amount is calculated based on certain items – such as tested income, tested loss, and QBAI – of each CFC owned by the U.S. shareholder (tested items). See § 1.951A-1(c) of the Income Tax Regulations. In general, a U.S. shareholder's GILTI inclusion amount is determined by reference to the U.S. shareholder's pro rata share of the tested items based on the stock of all the CFCs that the U.S. shareholder owns within the meaning of § 958(a). See § 951A(e)(1) (cross referencing § 951(a)(2)). The GILTI provisions in § 951A, enacted in § 14201(a) of the TCJA, apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of U.S. shareholders in which or with which such taxable years of foreign corporations end. See § 14201(d) of the TCJA.

Section 951(b) defines a U.S. shareholder, with respect to any foreign corporation, as a United States person (U.S. person) that owns (within the meaning of § 958(a)), or is considered as owning by applying the ownership rules of § 958(b), 10 percent or more of the total combined voting power of all classes of stock entitled to vote of such corporation or 10 percent or more of the value of all shares of all classes of stock of the foreign corporation. See also § 1.951-1(g). Section 957(c) generally defines a U.S. person for purposes of subpart F by reference to § 7701(a)(30), which defines a U.S. person as a citizen or resident of the United States, a domestic partnership, a domestic corporation, and certain estates and trusts.

.02 *S corporations*

For purposes of subparts A and F of part III (§§ 901 through 909 and §§ 951 through 965, respectively), and part V (§ 999), of subchapter N of chapter 1, § 1373(a) provides that an S corporation is treated as a partnership and the shareholders of the S corporation are treated as partners of the partnership. Section 1373(a) thus causes S corporations, which are domestic corporations, to be treated in the same manner as domestic partnerships for purposes of §§ 951 and 951A.

(1) Entity Treatment of Domestic Partnerships and S Corporations

Historically, a domestic partnership or S corporation was generally treated as a U.S. shareholder that had a subpart F inclusion with respect to a CFC owned under § 958(a) by the partnership or S corporation (entity treatment). Under entity treatment, an S corporation determines its subpart F inclusion at the entity level. An S corporation shareholder takes into account the shareholder's pro rata share of the S corporation's subpart F inclusion, regardless of whether the S corporation shareholder itself is a U.S. shareholder of the CFC under § 951(b). See generally § 1366(a). A similar approach applied to domestic partnerships under entity treatment.

(2) Aggregate Treatment of Partners of Foreign Partnerships

Under § 958(a)(2), a partner in a foreign partnership is treated as owning proportionately the stock of a CFC owned by the foreign partnership (aggregate treatment) for purposes of subpart F, which includes § 951A. Accordingly, if a partner in a foreign partnership is a U.S. shareholder with respect to a CFC owned by the partnership, the U.S. shareholder-partner will directly include in gross income the pro rata share of subpart F income of the CFC and directly determine the partner's GILTI inclusion amount by reference to the pro rata share of tested items of the CFC. See §§ 951(a) and 951A(e)(1).

(3) Hybrid Treatment for GILTI Purposes Under 2018 Proposed Regulations

On October 10, 2018, the Treasury Department and the IRS published a notice of proposed rulemaking (REG-104390-18) in the Federal Register (83 FR 51072) under § 951A (2018 proposed regulations). Section 1.951A-5 of the 2018 proposed regulations (proposed § 1.951A-5) provided a "hybrid approach" to a domestic partnership that is a U.S. shareholder (U.S. shareholder partnership) of a CFC (partnership-owned CFC). Under the hybrid approach, a U.S. shareholder partnership would determine its GILTI inclusion amount, and the partners of the partnership that were not also U.S. shareholders of the partnership-owned CFC would take into account their distributive share of the partnership's GILTI inclusion amount. See proposed § 1.951A-5(b). Partners that also were U.S. shareholders of a partnership-owned CFC would not take into account their distributive share of the partnership's GILTI inclusion amount. Instead, such partners would be treated as proportionately owning the stock of the partnership-owned CFC within the meaning of § 958(a) as if the domestic partnership were a foreign partnership. See proposed § 1.951A-5(c).

Because § 1373(a) treats S corporations as partnerships for purposes of subpart F, the hybrid approach in the 2018 proposed regulations also applied to S corporations that held stock of a CFC. For example, proposed § 1.951A-5(g)(5) (Example 5) applied entity treatment (outlined in section 2.02(1) of this notice) to an S corporation shareholder that was not a U.S. shareholder of a CFC owned by the S corporation (S corporation-owned CFC), and aggregate treatment (outlined in section 2.02(2) of this notice) to an S corporation shareholder that was a U.S. shareholder of the S corporation-owned CFC.

(4) Aggregate Treatment for GILTI Purposes under 2019 Final Regulations

On June 21, 2019, the Treasury Department and the IRS published final regulations (T.D. 9866) in the Federal Register (84 FR 29288) under § 951A (final regulations). The final regulations did not adopt the hybrid approach included in the 2018 proposed regulations and instead adopted aggregate treatment for domestic partnerships. Accordingly, under the final regulations, a domestic partnership does not have a GILTI inclusion amount, and therefore no partner of the partnership has a distributive share of a GILTI inclusion amount. See § 1.951A-1(e)(1). Rather, for purposes of determining the GILTI inclusion amount of any partner of a domestic partnership, each partner is treated as proportionately owning the stock of a CFC owned by the partnership within the meaning of § 958(a) in the same manner as if the domestic partnership were a foreign partnership. Because only a U.S. person that is a U.S. shareholder can have a GILTI inclusion amount, a partner that is not a U.S. shareholder of a partnership-owned CFC does not have a GILTI inclusion amount determined by reference to the partnership-owned CFC. Section 1.951A-1(e)(1) applies to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of U.S. shareholders in which or with which such taxable years of foreign corporations end. See § 1.951A-7.

(5) Aggregate Treatment for Subpart F and GILTI Purposes Under 2019 Proposed Regulations

On June 21, 2019, concurrent with the final regulations, the Treasury Department and the IRS published a notice of proposed rulemaking (REG-101828-19) in the Federal Register (84 FR 29114) under § 958 (2019 proposed regulations). Section 1.958-1 of the 2019 proposed regulations (proposed § 1.958-1) mirrored the aggregate treatment of domestic partnerships for purposes of GILTI inclusions as set forth in the final regulations, and also extended it to apply for purposes of subpart F inclusions. See proposed § 1.958-1(d)(1). Accordingly, subject to certain exceptions in proposed § 1.958-1(d)(2), for purposes of §§ 951 and 951A and any other provision that applies by reference to § 951 or 951A, the 2019 proposed regulations provided that a domestic partnership is not treated as owning stock of a foreign corporation within the meaning of § 958(a); instead, a domestic partnership is treated in the same manner as a foreign partnership for purposes of determining the persons that own stock of the foreign corporation within the meaning of § 958(a). See proposed § 1.958-1(d)(1). Under proposed § 1.958-1(d)(2), a domestic partnership is treated as an entity for purposes of determining whether any U.S. person (including the domestic partnership) is a U.S. shareholder, whether any U.S. shareholder is a controlling domestic shareholder (as defined in § 1.964-1(c)(5)), or whether any foreign corporation is a CFC.

Consistent with the final regulations with respect to GILTI, under the 2019 proposed regulations a partner that is not a U.S. shareholder with respect to a partnership-owned CFC does not take into account a subpart F inclusion or GILTI inclusion amount by reference to the partnership-owned CFC.

The 2019 proposed regulations are proposed to apply to taxable years of foreign corporations beginning on or after the date of publication of the Treasury decision adopting the rules as final regulations in the Federal Register. See proposed § 1.958-1(d)(4). Subject to a consistency requirement, however, the 2019 proposed regulations provide that a domestic partnership may apply the regulations, once finalized, to taxable years of a foreign corporation beginning after December 31, 2017, and to taxable years of the domestic partnership in which or with which such taxable years of the foreign corporation end. See id.

(6) Applicability to S Corporations

Under § 1373(a), an S corporation is treated as a partnership and its shareholders as partners for purposes of §§ 951 and 951A, among other provisions. Therefore, for purposes of determining a GILTI inclusion amount under § 1.951A-1(e), as well as determining a subpart F inclusion or GILTI inclusion amount under

proposed § 1.958-1(d), an S corporation is not treated as owning stock of a foreign corporation within the meaning of § 958(a) but instead is treated in the same manner as a foreign partnership (each S corporation shareholder is treated as proportionately owning the stock of the S corporation-owned CFC). Under this aggregate treatment, § 961(a) applies to increase a U.S. shareholder's basis in the shares of the S corporation when the U.S. shareholder has a subpart F inclusion or GILTI inclusion amount attributable to the S corporation-owned CFC. The preamble to the final regulations stated that the Treasury Department and the IRS are studying the application of § 1373(a) with respect to § 951A, as well as the broader implications of treating S corporations as partnerships for purposes of subpart F, and requested comments. See 84 FR 29317.

(7) Distribution Rules Regarding S Corporations

Paragraphs (b) and (c) of § 1368 provide for the annual treatment of distributions of property made by an S corporation with respect to its stock to which (but for § 1368(a)) § 301(c) would apply. Section 1368(b) addresses the treatment of such distributions by an S corporation that does not have AE&P. Specifically, § 1368(b)(1) provides that a distribution by an S corporation is not included in the gross income of the shareholder to the extent that the amount of the distribution does not exceed the adjusted basis of the S corporation's stock. Section 1368(b)(2) provides that, if the amount of the distribution exceeds the adjusted basis of the S corporation's stock, that excess is treated as gain from the sale or exchange of property.

Section 1368(c) addresses the treatment of distributions by an S corporation that has AE&P (for example, if the S corporation had generated earnings and profits during its prior status as a C corporation) and therefore has an accumulated adjustments account (AAA), as defined by § 1368(e)(1). AE&P does not include amounts that would increase an S corporation's AAA. See § 1371(c). The S corporation's AAA achieves dual congressional purposes by ensuring that (i) distributions of income already taxed to its shareholders will be tax-free and (ii) distributions of AE&P generated by a former C corporation will be taxed as dividends (as defined in § 316) when ultimately distributed. See S. Rept. 97-354, at 3258, 97th Cong. 2nd Sess. (Sept. 29, 1982). Accordingly, to achieve the first-described congressional purpose, an S corporation's AAA functions similarly to the basis-adjustment rules set forth in § 1367 and is adjusted positively to account for income taxed to its shareholders. See § 1368(e)(1). AAA is limited to income generated by the corporation during its status as an S corporation and preserves the single-level-of-tax treatment to S corporation shareholders that is fundamental to subchapter S of chapter 1 of the Code (subchapter S).

With regard to distributions of property by S corporations with AE&P (relating to the second-described congressional purpose), § 1368(c) first applies the distribution to the S corporation's AAA. Specifically, § 1368(c)(1) provides that the treatment of the portion of the distribution that does not exceed the S corporation's AAA is governed by § 1368(b), and not included in a shareholder's gross income if that amount does not exceed the shareholder's adjusted basis in the S corporation's stock. See also § 1368(b)(1). For the portion of the distribution that does not exceed the S corporation's AAA, but which exceeds the shareholder's adjusted basis in the S corporation's stock, that amount is treated as gain from the sale or exchange of property. See §§ 1368(c)(1) and 1368(b)(2). After the application of § 1368(c)(1), any remaining portion of that distribution that exceeds the amount of the S corporation's AAA is treated as a dividend (as defined in § 316) to the extent of the S corporation's remaining AE&P. See § 1368(c)(2). Lastly, the portion of the distribution remaining after the application of § 1368(c)(1) and (2) is governed by § 1368(b) (that is, either not included in gross income or treated as gain depending on the shareholder's basis in the S corporation's stock). See § 1368(c)(3).

(8) Application of Aggregate Treatment to S Corporations with AE&P

The aggregate treatment provided in the final regulations, as applied to S corporations with AE&P, does not result in a positive adjustment of AAA because the GILTI inclusion amount arises at the shareholder level, rather than at the S corporation level. See § 1.951A-1(e). If an S corporation with AE&P distributes property to its shareholders, for example, to provide its shareholders with funds to pay the resulting federal income tax arising from their GILTI inclusion amount with respect to stock of CFCs owned by the S corporation, the S corporation would need an amount of AAA equal to the amount of that distribution to prevent the distribution from being included in such shareholders' gross income to the extent of AE&P. See generally § 1368(c). Although the S corporation could generate additional AAA as needed through a distribution from a CFC, comments have asserted that such an approach could result in foreign withholding taxes or undesired reductions in working capital that otherwise would be devoted to the CFC's businesses.

As stated in section 2.02(7) of this notice, § 1368(c)(1) provides that tax-free distribution treatment to shareholders of an S corporation with AE&P results only to the extent the S corporation has sufficient AAA to support the distribution. In the absence of enough AAA, § 1368(c)(2) requires the distribution to be taxed as a dividend (as defined in § 316) to the S corporation's shareholders to the extent of the S corporation's AE&P. In other words, if an S corporation has no AAA, the amount of the adjusted basis in a shareholder's S corporation stock—including any positive basis adjustment under § 961(a) resulting from a shareholder's GILTI inclusion—does not affect dividend treatment. Once the S corporation exhausts its AE&P, distributions are once again applied to shareholder stock basis. Comments regarding the application of the final regulations to S corporations and their shareholders focused on these interactions between the aggregate treatment and the distribution rules for AE&P under subchapter S.

(9) Notice 2019-46 – Domestic Partnerships and S Corporations Filing Under Proposed GILTI Regulations

Following the June 21, 2019, publication of the final regulations, the Treasury Department and the IRS became aware that certain domestic partnerships and S corporations had furnished Schedules K-1 to their partners and shareholders for the 2018 taxable year on or before the publication date of the final regulations and had relied on proposed §1.951A-5. See section 2.04 of Notice 2019-46, 2019-37 I.R.B. 695 (Aug. 23, 2019). To reduce

compliance and processing burdens resulting from the need to issue corrected Schedules K-1 consistent with the final regulations, Notice 2019-46 announced the intent of the Treasury Department and the IRS to issue regulations that would permit certain domestic partnerships or S corporations to apply the 2018 proposed regulations, including the hybrid approach in proposed § 1.951A-5, in their entirety, for taxable years that ended before June 22, 2019. See section 3 of Notice 2019-46.

.03 *QBAI rules for FDII and GILTI*

For purposes of applying § 951A, a U.S. shareholder has to determine its "net CFC tested income" and "net deemed tangible income return." Net CFC tested income is generally defined as the excess (if any) of the aggregate of the shareholder's pro rata share of the tested income of each CFC with respect to which such shareholder is a U.S. shareholder for the taxable year of the shareholder over the aggregate of the shareholder's pro rata share of the tested loss of each such CFC. See § 951A(c) and § 1.951A-1(c)(2). The U.S. shareholder's GILTI inclusion amount is then determined by reducing net CFC tested income by net deemed tangible income return. See § 951A(b)(1). Section 951A(b)(2) and § 1.951A-1(c)(3) define the term "net deemed tangible income return" as the excess of 10 percent of the aggregate of such U.S. shareholder's pro rata share of the QBAI of each CFC with respect to which the shareholder is a U.S. shareholder for the taxable year, over a certain amount of interest expense.

Section 951A(d)(1) and § 1.951A-1(b) define QBAI, with respect to any CFC for any taxable year, as the quarterly average of the aggregate adjusted bases in specified tangible property used in the CFC's trade or business and of a type for which a depreciation deduction is allowable under § 167.

The definition of QBAI in § 951A(d) also applies for purposes of determining deemed tangible income return under § 250. See § 250(b)(2)(B) and § 1.250(b)-2(b). Section 250 generally allows a domestic corporation a deduction equal to 37.5 percent (21.875 percent for taxable years after 2025) of its FDII (as defined in § 250(b)(1) and § 1.250(b)-1(b)). For purposes of FDII, QBAI is used to determine the deemed tangible income return of a corporation, which in turn reduces the amount of foreign-derived intangible income of a corporation. See § 250(b)(1)-(2). Section 250(b)(2)(B) and § 1.250(b)-2 incorporate the definition of QBAI in § 951A(d)(3), with some modifications.

(1) Adjusted Basis for Purposes of QBAI

Section 951A(d)(3)[1] requires a taxpayer to calculate QBAI by determining the adjusted basis of property using the ADS under § 168(g) "notwithstanding any provision of this title (or any other provision of law) which is enacted after the date of the enactment of [§ 951A]."

ADS depreciation under § 168(g) is determined by using the straight-line method (without regard to salvage value), the applicable convention determined under § 168(d), and the applicable recovery period as determined under the table in § 168(g)(2)(C). On December 22, 2017, the date of enactment of the TCJA, § 168(g)(2)(C) provided that the recovery period for purposes of ADS depreciation for nonresidential real property, as defined in § 168(e)(2)(B), was 40 years. Nonresidential real property is defined under § 168(e)(2)(B) as "section 1250 property" (that is, any depreciable real property not described in § 1245) that is not residential rental property, as defined in § 168(e)(2)(A), or property with a class life of less than 27.5 years. Section 168(g)(2)(C)(i) provided that the recovery period for property not described in § 168(g)(2)(C)(ii) or (iii) is the property's class life. Class life is generally determined under Rev. Proc. 87-56, 1987-2 C.B. 674; however, § 168(g)(3) specifies class lives for certain types of property for ADS purposes.

(2) Qualified Improvement Property

Effective for property placed in service after December 31, 2017, § 13204 of the TCJA amended § 168(e) by removing references to qualified leasehold improvement property, qualified restaurant improvement property, and qualified retail improvement property, and adding a definition for QIP. Under § 168(e)(6), as amended by the TCJA, QIP generally is defined as certain improvements to an interior portion of a building that is nonresidential real property if such improvements are placed in service after the date the building was first placed in service. See § 1.168(b)-1(a)(5)(i)(A) and (ii).

(3) QIP's 20-year ADS Recovery Period

Section 2307(a) of the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136, 134 Stat. 281 (March 27, 2020) (CARES Act), titled "Technical Amendments Regarding Qualified Improvement Property" amended the TCJA rules regarding the treatment of QIP under § 168(e) and (g) (technical amendment). Under the technical amendment, § 2307(a)(1)(A) of the CARES Act amended § 168(e) by adding clause (vii) to paragraph (3)(E), providing that QIP is classified as 15-year property, § 2307(a)(1)(B) of the CARES Act amended the definition of QIP in § 168(e)(6) by providing that the improvement must be "made by the taxpayer," and § 2307(a)(2) of the CARES Act amended the table in § 168(g)(3)(B) to provide a class life of 20 years for QIP for purposes of the ADS. Under § 2307(b) of the CARES Act, the technical amendment is effective as if its provisions had been included in § 13204 of the TCJA and, therefore, applies to property placed in service after December 31, 2017. According to the Description of the Tax Provisions of Public Law 116-136, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, prepared by the Staff of the Joint Committee on Taxation and published on April 23, 2020 (JCX-12R-20), when Congress enacted § 13204(a)(4)(b)(i) of the TCJA to add the definition of QIP in § 168(e)(6), it intended for QIP to be classified as 15-year property under § 168(e)(3)(E), with a 15-year recovery period under the general depreciation system in § 168(a) and a 20-year ADS recovery period but inadvertently omitted such language from the statute. See JCX-12R-20 at 69-70. The conference report under the TCJA also states that Congress intended QIP to be classified as 15-year property under the general depreciation

[1] As enacted, § 951A(d) contains two paragraphs designated as paragraph (3). The § 951A(d)(3) of the Code discussed in this notice relates to the determination of the adjusted basis in property for purposes of calculating QBAI.

system and be assigned a 20-year ADS recovery period. See Conference Report to Accompany H.R. 1, H.R. Rept. 115-466, at 366-367, 115th Cong. 1st Sess. (Dec. 15, 2017).

SECTION 3. FORTHCOMING S CORPORATION REGULATIONS ADDRESSING QUALIFYING S CORPORATIONS WITH AE&P

.01 *Purpose and Scope*

The Treasury Department and the IRS intend to issue the forthcoming S corporation regulations under § 958 of the Code to ease the transition of S corporations with AE&P on September 1, 2020, from the historic entity treatment and the hybrid treatment under proposed §1.951A-5 (and illustrated in § 1.951A-5(g)(5) (Example 5)) to the aggregate treatment required under the final regulations (transition rules). The forthcoming S corporation regulations will ensure that distributions of income already taxed to S corporation shareholders will be tax-free, and AE&P generated by a former C corporation will be taxed as dividends when distributed.

The Treasury Department and the IRS intend the transition rules to assist S corporations with AE&P and their shareholders by allowing them to recognize the GILTI inclusion amount at the entity level so it is treated as an item of income, thereby increasing its AAA before allocation to the shareholders. This increase in AAA will allow S corporations to distribute property to shareholders and avoid dividend treatment. To achieve this result, the Treasury Department and the IRS expect to provide rules and examples consistent with those set forth in sections 3.02 and 3.03, respectively, of this notice. These transition rules are expected to apply solely to S corporations with "transition AE&P," as defined in section 3.02(3) of this notice.

.02 *Transition Rules*

(1) Elective Entity Treatment

With respect to a taxable year, an S corporation is subject to entity treatment if (a) it (and its shareholders, if applicable) makes an election described in section 3.02(2) of this notice, (b) it has elected S corporation status before June 22, 2019, (c) it would be treated as owning stock of a CFC on June 22, 2019, within the meaning of § 958(a) if entity treatment applied,[2] (d) it has transition AE&P (as defined in section 3.02(3) of this notice) on September 1, 2020, or on the first day of any subsequent taxable year, and (e) it maintains records to support the determination of the transition AE&P amount. Entity treatment means that an S corporation that owns stock of a CFC is treated as owning within the meaning of § 958(a) the CFC stock for purposes of applying § 951A. Thus, the S corporation determines its GILTI inclusion amount, and its shareholders take into account their distributive share of that GILTI inclusion amount. See section 2.02(1) of this notice.

(2) Time and Manner of Making an Election.

With respect to the first taxable year ending on or after September 1, 2020, an S corporation may irrevocably elect to apply entity treatment on a timely filed (including extensions) original Form 1120-S, U.S. Income Tax Return for an S Corporation. For taxable years of an S corporation ending before September 1, 2020, and after June 21, 2019, the S corporation and all of its shareholders may irrevocably elect the entity treatment provided in section 3.02(1) of this notice on timely filed (including extensions) original returns or on amended returns filed by March 15, 2021, by attaching a statement thereto.

The election is made by attaching a statement to the Federal tax return. The election statement must identify the election being made, include the amount of transition AE&P as described in section 3.02(3) of this notice, and, where applicable, be signed by a person authorized to sign the return required to filed under § 6037. Form 1120-S, Schedules K-1 (Form 1120-S), and Form 8892, U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI), must be prepared consistent with the S corporation's election for shareholders to comply with § 6037(c).

(3) Transition AE&P

For purposes of this notice, the term "transition AE&P" means, with respect to an S corporation and its shareholders, the amount of AE&P of the S corporation calculated as of September 1, 2020, reduced as described in section 3.02(5) of this notice. Transition AE&P is not increased as a result of transactions occurring (or entity classification elections described in § 301.7701-3 filed) after September 1, 2020.

(4) Transition AE&P Not Transferable

For purposes of this notice, transition AE&P of an S corporation is not transferrable to another person under any provision of the Code (for example, under §§ 312(h) or 381 by reason of § 1371(a)). In other words, the transferee of the transition AE&P would receive AE&P not transition AE&P.

(5) Reduction Solely by Distributions

An S corporation with transition AE&P is treated as having no transition AE&P if, beginning after September 1, 2020, the S corporation distributes in one or more distributions a cumulative amount of AE&P equal to or greater than the amount of the S corporation's transition AE&P as of September 1, 2020.

(6) Required Aggregate Treatment

Except as provided in Notice 2019-46, aggregate treatment applies to an S corporation if the S corporation has not made an election described in section 3.02(1) of this notice to apply the transition rules. In the case of an S corporation that has made an election to apply entity treatment as described in section 3.02(1) of this notice, aggregate treatment applies beginning with the S corporation's first taxable year for which the S corporation has no transition AE&P on the first day of that year, and to each subsequent taxable year of the S corporation. For purposes of this section 3.02(6), aggregate treatment means the treatment of an S corporation provided under § 1.951A-1(e).

.03 *Examples*

The following examples illustrate the rules set forth in section 3.02 of this notice.

[2] In other words, elective entity treatment is not available when, if entity treatment otherwise applied, an S corporation would only be considered to own stock of a CFC under § 958(b) or not at all. For example, where an individual shareholder directly owns 100 percent of the stock of a CFC, and the shareholder owns 50 percent of the stock of an S corporation, that S corporation would be considered under §§ 318(a)(3)(C) and 958(b) to own all of the stock of CFC, but none of the stock under § 958(a). Therefore, in such a case, elective entity treatment is not available to the S corporation.

(1) *Example 1 – S corporation with transition AE&P*—(a) *Facts*. Individual A and Individual B, each U.S. citizens, respectively own 5% and 95% of the single class of stock of SCX, an S corporation. SCX's sole asset is 100% of the single class of stock of FC, a CFC, which SCX has held since June 1, 2019. Neither Individual A or Individual B own shares, directly or indirectly, in any other CFC. Individual A, Individual B, SCX, and FC all use the calendar year as their taxable year. On January 1, 2021, SCX has transition AE&P of $100x and AAA of $0. SCX elects to apply the transition rules under section 3.02(1) of this notice. During the 2021 taxable year, FC has $200x of tested income (within the meaning of § 1.951A-2(b)(1)) and $0 of QBAI (within the meaning of § 1.951A-3(b)).

(b) *Analysis*—(i) *S corporation-level*. As an S corporation with transition AE&P on the first day of the taxable year (here, January 1, 2021), SCX is treated as owning (within the meaning of § 958(a)) all the stock of FC for purposes applying § 951A. Accordingly, SCX, a U.S. shareholder of FC, determines its GILTI inclusion amount under § 1.951A-1(c)(1) for its 2021 taxable year. SCX's pro rata share of FC's tested income is $200x, and its pro rata share of FC's QBAI is $0. SCX's net CFC tested income (within the meaning of § 1.951A-1(c)(2)) is $200x, and its net deemed tangible income return (within the meaning of § 1.951A-1(c)(3)) is $0. As a result, SCX's GILTI inclusion amount for 2021 is $200x. At the end of 2021, SCX increases its AAA by $200x to reflect the GILTI inclusion amount. Because SCX computes its income as an individual under § 1363(b), it cannot take a § 250 deduction for any GILTI inclusion amount. See § 1.250(a)-1(c)(1).

(ii) *S corporation shareholder-level*. Neither Individual A nor Individual B is treated as owning the stock in FC within the meaning of § 958(a). Accordingly, Individual A and Individual B include in gross income their pro rata shares of SCX's GILTI inclusion amount as described in § 1366(a), which is $10x ($200x x 5%) for Individual A and $190x ($200x x 95%) for Individual B.

(2) *Example 2 – Effect of distribution on transition AE&P*—(a) *Facts*. The facts are the same as in Example 1 of this section 3.03, except that, on December 31, 2021, SCX distributes $300x to its shareholders. In addition, FC has an additional $200x of tested income (within the meaning of § 1.951A-2(b)(1)) and $0 of QBAI (within the meaning of § 1.951A-3(b)) during the 2022 taxable year.

(b) *Analysis*—(i) *Determination of transition AE&P*. Before taking into account the distribution on December 31, 2021, the results for taxable year 2021 are the same as set forth in paragraphs (b)(i) and (b)(ii) of Example 1 of this section 3.03. $200x, the portion of SCX's $300x distribution that does not exceed AAA, is subject to § 1368(c)(1). The remaining distribution of $100x is treated as a dividend under § 316 to the extent of SCX's AE&P. As of January 1, 2022, SCX has $0 of transition AE&P under section 3.02(5) of this notice because the cumulative amount of SCX's distributions out of AE&P after September 1, 2020, equals or exceeds the amount of SCX's transition AE&P as of September 1, 2020.

(ii) *S corporation-level*. Because SCX has no transition AE&P as of January 1, 2022, aggregate treatment applies to SCX for its taxable year 2022 and for each subsequent taxable year. As a result, for purposes of determining a GILTI inclusion amount in its taxable year 2022, SCX is not treated as owning (within the meaning of § 958(a)) the FC stock; instead, SCX is treated in the same manner as a foreign partnership for purposes of determining the FC stock owned by Individual A and Individual B under § 958(a)(2). See § 1.951A-1(e)(1). Accordingly, SCX does not have a GILTI inclusion amount for its 2022 taxable year (or for any subsequent taxable year) and therefore will not increase its AAA as a result of its ownership of FC stock for its taxable year 2022 (or for any subsequent taxable year).

(iii) *S corporation shareholder-level*—(A) *Individual A*. For purposes of determining the GILTI inclusion amount of Individual A for taxable year 2022, Individual A is treated as owning 5% of the FC stock under § 958(a). Individual A is not, however, a U.S. shareholder of FC because Individual A owns (within the meaning of § 958(a) and (b)) less than 10% (that is, only 5%) of the FC stock. Accordingly, Individual A does not have a GILTI inclusion amount for taxable year 2022.

(B) *Individual B*. For purposes of determining the GILTI inclusion amount of Individual B for taxable year 2022, Individual B is treated as owning 95% of the FC stock under § 958(a). In addition, Individual B is a U.S. shareholder of FC because Individual B owns (within the meaning of § 958(a) and (b)) at least 10% (that is, 95%) of the FC stock. Accordingly, Individual B's pro rata share of FC's tested income is $190x ($200x x 0.95), and Individual B's pro rata share of FC's QBAI is $0. Individual B's net CFC tested income is $190x, and Individual B's net deemed tangible income return is $0. As a result, Individual B's GILTI inclusion amount for taxable year 2022 is $190x.

.04 *PTEP Rules Addressing Transition from Entity to Aggregate Treatment*

The Treasury Department and the IRS expect to amend the regulations under §§ 959 and 961 concerning previously taxed earnings and profits to provide rules to address the transition of S corporations from entity treatment to aggregate treatment.

SECTION 4. FORTHCOMING QIP-QBAI REGULATIONS ADDRESSING THE TREATMENT OF QIP FOR PURPOSES OF FDII AND GILTI

The Treasury Department and the IRS expect the forthcoming QIP-QBAI regulations under §§ 250 and 951A of the Code to clarify that the technical amendment to § 168 enacted in § 2307(a) of the CARES Act applies to determine the adjusted basis of property under § 951A(d)(3) as if it had been enacted as part of § 13204 of the TCJA. The Treasury Department and the IRS have determined that this clarification is consistent with congressional intent that the provisions of the technical amendment be given effect as if included in § 13204 of the TCJA.

SECTION 5. APPLICABILITY DATES

The forthcoming S corporation regulations will provide that the transition rules and examples set forth in sections 3.02 and 3.03 of this notice may be applied to taxable years of S corporations ending on or after June 22, 2019. For rules applicable to taxable years ending before June 22, 2019, see Notice 2019-46. Until the date of issuance of the forthcoming S corporation regulations, an S corporation and its shareholders may rely on the rules set forth in sections 3.02 and 3.03 of this notice provided that the S corporation and its shareholders that are U.S. shareholders of the CFC consistently apply the rules set forth in sections 3.02 and 3.03 of this notice with respect to all CFCs whose stock the S corporation owns within the meaning of § 958(a) of the Code.

Consistent with § 2307(b) of the CARES Act, the forthcoming QIP-QBAI regulations will provide that the rules described in section 4 of this notice will apply retroactively. In the case of the regulations under § 951A, the forthcoming QIP-QBAI regulations will apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end. In the case of the regulations under § 250, the forthcoming QIP-QBAI regulations will apply to taxable years of U.S. persons beginning after December 31, 2017. See § 7805(b)(2). Before the issuance of the forthcoming QIP-QBAI regulations, U.S. shareholders and domestic corporations (including any individuals that elect to apply § 962) may rely on the rules described in section 4 of this notice for a taxable year beginning after December 31, 2017, provided they consistently apply those rules for purposes of FDII and GILTI under §§ 250 and 951A to such taxable year and all subsequent taxable years.

Pursuant to Section IV. of the Policy Statement on the Tax Regulatory Process issued by the Treasury Department and the IRS on March 5, 2019, if no proposed regulations or other guidance is released

within 18 months after September 21, 2020, taxpayers may continue to rely on the rules described in this notice but, until additional guidance is issued, the Treasury Department and the IRS will not assert a position adverse to the taxpayer based in whole or in part on this notice.

SECTION 6. REQUEST FOR COMMENTS

The Treasury Department and the IRS request comments regarding the impact of the forthcoming regulations set forth in sections 3 and 4 of this notice on small entities, within the meaning of § 601(6) of the Regulatory Flexibility Act (5 U.S.C. chapter 6).

In addition, the Treasury Department and the IRS request comments addressing the intended transition rules of the forthcoming S corporation regulations set forth in section 3 of this notice.

The Treasury Department and the IRS also request comments on the rules of the forthcoming QIP-QBAI regulations described in section 4 of this notice. The Treasury Department and the IRS request comments on whether an alternative rule should be provided that would allow a corrective adjustment in the first taxable year ending after the rules in section 4 of this notice become final for taxpayers that took a position that is inconsistent with the rules described in section 4 of this notice on a return filed before September 1, 2020, and do not file an amended return for such year. Comments on this issue should address what limitations might be needed on any such alternative rule, such as in cases where there have been changes in ownership of a CFC.

Comments should be submitted by November 2, 2020. Commenters are strongly encouraged to submit public comments electronically via the Federal eRulemaking Portal at www.regulations.gov (indicate IRS and Notice 2020-69) by following the online instructions for submitting comments. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The IRS expects to have limited personnel available to process public comments that are submitted on paper through mail. Until further notice, any comments submitted on paper will be considered to the extent practicable. The Treasury Department and the IRS will publish for public availability any comment submitted electronically, and to the extent practicable any comment submitted on paper, to its public docket. Send paper submissions to: CC:PA:LPD:PR (Notice 2020-69), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044.

SECTION 7. PAPERWORK REDUCTION ACT

The collections of information in section 3.02(2) of this notice are reflected in the submission to the Office of Management and Budget (OMB) for review in accordance with Paperwork Reduction Act (44 U.S.C. § 3507(c)) (PRA) that is associated with OMB control number 1545-2291. The collections of information in section 3.02(2) of this notice will be submitted to IRS in in conjunction with Form 1120S, which is approved under OMB control number 1545-0123. These submissions will be updated in the ordinary course.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collections of information are required to notify the IRS both that an S corporation has elected to apply entity treatment described in section 3.02 of this notice and of the amount of transition AE&P described in section 3.02(3) of this notice. The collections of information are required in order for the transition rules described in section 3.02 of this notice to apply. The likely respondents are business or other for-profit institutions.

The estimated total reporting and/or recordkeeping burden of this Notice is 1,844 hours. The estimated burden per respondent/recordkeeper is half an hour. The estimated number of respondents and/or recordkeepers is 3,688.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by § 6103.

SECTION 8. DRAFTING AND CONTACT INFORMATION

The principal authors of this notice are Jennifer N. Keeney of the Office of Associate Chief Counsel (Passthroughs & Special Industries) and Edward J. Tracy, Jorge M. Oben, and Larry R. Pounders of the Office of Associate Chief Counsel (International). For further information regarding the S corporation issues described in this notice, contact Ms. Keeney at (202) 317-6850 or Mr. Tracy at (202) 317-6934 (not toll-free numbers). For further information regarding the QIP-QBAI issues described in this notice, contact Jorge M. Oben or Larry R. Pounders at (202) 317-6934 (not a toll-free number).

Definition of Terms

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

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

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

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

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

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

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

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

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

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

Abbreviations

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

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

Numerical Finding List[1]

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[1] A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2019–27 through 2019–52 is in Internal Revenue Bulletin 2019–52, dated December 27, 2019.

Finding List of Current Actions on Previously Published Items[1]

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[1] A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2019–27 through 2019–52 is in Internal Revenue Bulletin 2019–52, dated December 27, 2019.

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The Introduction at the beginning of this issue describes the purpose and content of this publication. The weekly Internal Revenue Bulletins are available at *www.irs.gov/irb/*.

We Welcome Comments About the Internal Revenue Bulletin

If you have comments concerning the format or production of the Internal Revenue Bulletin or suggestions for improving it, we would be pleased to hear from you. You can email us your suggestions or comments through the IRS Internet Home Page *www.irs.gov*) or write to the Internal Revenue Service, Publishing Division, IRB Publishing Program Desk, 1111 Constitution Ave. NW, IR-6230 Washington, DC 20224.