Internal Revenue
bulletin

Bulletin No. 2013-34
August 19, 2013

HIGHLIGHTS OF THIS ISSUE

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

INCOME TAX

T.D. 9625, page 147.

Final regulations provide rules regarding the exception to the deduction limitations on certain expenditures paid or incurred under reimbursement or other expense allowance arrangements under section 274 of the Code.

T.D. 9626, page 149.

These final regulations under section 337(d) of the Code provide guidance concerning certain transfers of property from a C corporation to a Regulated Investment Company or a Real Estate Investment Trust.

EMPLOYEE PLANS

Announcement 2013–37, page 155.

This announcement extends the deadline to submit on-cycle applications for opinion and advisory letters for sponsors and practitioners maintaining defined benefit mass submitter lead plans for the plans' second six-year remedial amendment cycle. Rev. Procs. 2007–44 and 2011–49 are modified.

EXCISE TAX

Notice 2013–51, page 153.

This notice provides guidance on the branded prescription drug fee for the 2014 fee year related to (1) the submission of Form 8947, *Report of Branded Prescription Drug Information*, (2) the time and manner for notifying covered entities of their preliminary fee calculation, (3) the time and manner for submitting error reports for the dispute resolution process, and (4) the time for notifying covered entities of their final fee calculation. Notice 2012–74 is obsoleted.

Finding Lists begin on page ii.

Department of the Treasury
Internal Revenue Service

The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly.

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

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

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

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

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

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

Part IV.—Items of General Interest.
This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

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

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

Section 274.—Disallowance of Certain Entertainment, etc., Expenses

TD 9625

DEPARTMENT OF THE TREASURY
Internal Revenue Service
26 CFR Part 1

Reimbursed Entertainment Expenses

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations regarding the exception to the deduction limitations on certain expenditures paid or incurred under reimbursement or other expense allowance arrangements. These final regulations affect taxpayers that pay or receive advances, allowances, or reimbursements under reimbursement or other expense allowance arrangements and clarify the rules for these arrangements.

DATES: *Effective Date:* These regulations are effective on August 1, 2013.

Applicability Date: For date of applicability, see §1.274–2(f)(2)(iv)(F).

FOR FURTHER INFORMATION CONTACT: Patrick Clinton, (202) 622–4930 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains final regulations that amend the Income Tax Regulations (26 CFR part 1) under section 274(e)(3) of the Internal Revenue Code (Code). The regulations provide rules for the exception under section 274(e)(3) to the section 274(a) and (n) deduction limitations for certain expenditures paid or incurred under reimbursement or other expense allowance arrangements. The final regulations clarify the definition of reimbursement or other expense allowance arrangements for purposes of section 274(a) and (n) and how the deduction limitations apply to reimbursement arrangements between more than two parties.

On August 1, 2012, a notice of proposed rulemaking (REG–137589–07) was published in the **Federal Register** (77 FR 45520). One written comment responding to the notice of proposed rulemaking was received. No public hearing was requested or held. After consideration of the comment, the regulations are adopted without substantive change by this Treasury decision.

Summary of Comment and Explanation of Provisions

1. *Reimbursement Arrangements of Payors*

The proposed regulations would amend regulations that apply the section 274(e)(3) exception to reimbursement and other expense allowance arrangements involving employees. The proposed regulations clarify that these rules apply to reimbursement or other expense allowance arrangements between payors and employees. Under the proposed regulations, a payor may be an employer, an agent of the employer, or a third party.

The commentator suggested that the change in terminology is confusing and that the final regulations either should retain the term employer or further define the terms.

The regulations use the term *payor* to clarify that the rules relating to reimbursement and other expense allowance arrangements with employees do not require determining who is the common law employer. The rules require, instead, identifying the party that bears the expense. Thus, the regulations are not limited to employers but encompass any party that reimburses an employee's expenses under a reimbursement or other expense allowance arrangement. Accordingly, the final regulations do not adopt this comment.

2. *Arrangements Between Independent Contractors and Clients*

The proposed regulations provide that, for a reimbursement or other expense allowance arrangement involving persons that are not employees (an independent contractor and a client or customer), the parties may expressly identify the party subject to the section 274(a) and (n) limitations. If the agreement does not specify a party, the limitations apply to the client if the independent contractor accounts to the client for (substantiates) the expenses, and to the independent contractor if the independent contractor does not account to the client. The commentator suggested that the language of section 274(e)(3) does not permit the parties to choose which party is subject to the limitations.

Section 274(e)(3)(B) provides that taxpayers may identify the party subject to the section 274(a) and (n) limitations by accounting or not accounting for expenses and therefore contemplates identification of the party subject to the limitations. The final regulations provide a rule that gives taxpayers the flexibility contemplated under section 274(e) and is easily administrable for the IRS. Accordingly, the final regulations do not adopt this comment.

Effective/Applicability Date

These regulations apply to expenses paid or incurred in taxable years beginning after August 1, 2013. Taxpayers may apply these regulations to expenses paid or incurred in taxable years beginning on or before August 1, 2013 for which the period of limitation on credit or refund under section 6511 has not expired.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations and, be-

cause the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, the notice of proposed rulemaking that preceded these final regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business, and no comments were received.

Drafting Information

The principal author of these final regulations is Patrick Clinton of the Office of Associate Chief Counsel (Income Tax & Accounting). However, other personnel from the IRS and Treasury Department participated in their development.

* * * * *

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

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

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

Section 1.274–2 also issued under 26 U.S.C. 274(o). * * *

Par. 2. Section 1.274–2 is amended by revising paragraph (f)(2)(iv) to read as follows:

§1.274–2 Disallowance of deductions for certain expenses for entertainment, amusement, recreation, or travel.

* * * * *

(f) * * *

(2) * * *

(iv) *Reimbursed entertainment, food, or beverage expenses*—(A) *Introduction*. In the case of any expenditure for entertainment, amusement, recreation, food, or beverages made by one person in performing services for another person (whether or not the other person is an employer) under a reimbursement or other expense allowance arrangement, the limitations on deductions in paragraphs (a) through (e) of this section and section 274(n)(1) apply either to the person who makes the expenditure or to the person who actually bears the expense, but not to both. If an expenditure of a type described in this paragraph (f)(2)(iv) properly constitutes a dividend paid to a shareholder, unreasonable compensation paid to an employee, a personal expense, or other nondeductible expense, nothing in this exception prevents disallowance of the expenditure to the taxpayer under other provisions of the Code.

(B) *Reimbursement arrangements involving employees*. In the case of an employee's expenditure for entertainment, amusement, recreation, food, or beverages in performing services as an employee under a reimbursement or other expense allowance arrangement with a payor (the employer, its agent, or a third party), the limitations on deductions in paragraphs (a) through (e) of this section and section 274(n)(1) apply—

(*1*) To the employee to the extent the employer treats the reimbursement or other payment of the expense on the employer's income tax return as originally filed as compensation paid to the employee and as wages to the employee for purposes of withholding under chapter 24 (relating to collection of income tax at source on wages); or

(*2*) To the payor to the extent the reimbursement or other payment of the expense is not treated as compensation and wages paid to the employee in the manner provided in paragraph (f)(2)(iv)(B)(*1*) of this section (however, see paragraph (f)(2)(iv)(C) of this section if the payor receives a payment from a third party that may be treated as a reimbursement arrangement under that paragraph).

(C) *Reimbursement arrangements involving persons that are not employees*. In the case of an expense for entertainment, amusement, recreation, food, or beverages of a person who is not an employee (referred to as an independent contractor) in performing services for another person (a client or customer) under a reimbursement or other expense allowance arrangement with the person, the limitations on deductions in paragraphs (a) through (e) of this section and section 274(n)(1) apply to the party expressly identified in an agreement between the parties as subject to the limitations. If an agreement between the parties does not expressly identify the party subject to the limitations, the limitations apply—

(*1*) To the independent contractor (which may be a payor described in paragraph (f)(2)(iv)(*B*) of this section) to the extent the independent contractor does not account to the client or customer within the meaning of section 274(d) and the associated regulations; or

(*2*) To the client or customer if the independent contractor accounts to the client or customer within the meaning of section 274(d) and the associated regulations. See also §1.274–5.

(D) *Reimbursement or other expense allowance arrangement*. The term *reimbursement or other expense allowance arrangement* means—

(*1*) For purposes of paragraph (f)(2)(iv)(B) of this section, an arrangement under which an employee receives an advance, allowance, or reimbursement from a payor (the employer, its agent, or a third party) for expenses the employee pays or incurs; and

(*2*) For purposes of paragraph (f)(2)(iv)(C) of this section, an arrangement under which an independent contractor receives an advance, allowance, or reimbursement from a client or customer for expenses the independent contractor pays or incurs if either—

(*a*) A written agreement between the parties expressly states that the client or customer will reimburse the independent contractor for expenses that are subject to the limitations on deductions in paragraphs (a) through (e) of this section and section 274(n)(1); or

(*b*) A written agreement between the parties expressly identifies the party subject to the limitations.

(E) *Examples*. The following examples illustrate the application of this paragraph (f)(2)(iv).

Example 1. (i) Y, an employee, performs services under an arrangement in which L, an employee leasing company, pays Y a per diem allowance of $10x for each day that Y performs services for L's client, C, while traveling away from home. The per diem allowance is a reimbursement of travel expenses for food and beverages that Y pays in performing services as an employee. L enters into a written agreement with C under which C agrees to reimburse L for any substantiated reimbursements for travel expenses, including meals, that L pays to Y. The agreement does not expressly identify the party that is subject to the deduction limitations. Y performs services for C while traveling away from home for 10

days and provides L with substantiation that satisfies the requirements of section 274(d) of $100x of meal expenses incurred by Y while traveling away from home. L pays Y $100x to reimburse those expenses pursuant to their arrangement. L delivers a copy of Y's substantiation to C. C pays L $300x, which includes $200x compensation for services and $100x as reimbursement of L's payment of Y's travel expenses for meals. Neither L nor C treats the $100x paid to Y as compensation or wages.

(ii) Under paragraph (f)(2)(iv)(D)(*1*) of this section, Y and L have established a reimbursement or other expense allowance arrangement for purposes of paragraph (f)(2)(iv)(B) of this section. Because the reimbursement payment is not treated as compensation and wages paid to Y, under section 274(e)(3)(A) and paragraph (f)(2)(iv)(B)(*1*) of this section, Y is not subject to the section 274 deduction limitations. Instead, under paragraph (f)(2)(iv)(B)(*2*) of this section, L, the payor, is subject to the section 274 deduction limitations unless L can meet the requirements of section 274(e)(3)(B) and paragraph (f)(2)(iv)(C) of this section.

(iii) Because the agreement between L and C expressly states that C will reimburse L for substantiated reimbursements for travel expenses that L pays to Y, under paragraph (f)(2)(iv)(D)(*2*)(*a*) of this section, L and C have established a reimbursement or other expense allowance arrangement for purposes of paragraph (f)(2)(iv)(C) of this section. L accounts to C for C's reimbursement in the manner required by section 274(d) by delivering to C a copy of the substantiation L received from Y. Therefore, under section 274(e)(3)(B) and paragraph (f)(2)(iv)(C)(*2*) of this section, C and not L is subject to the section 274 deduction limitations.

Example 2. (i) The facts are the same as in *Example 1* except that, under the arrangements between Y and L and between L and C, Y provides the substantiation of the expenses directly to C, and C pays the per diem directly to Y.

(ii) Under paragraph (f)(2)(iv)(D)(*1*) of this section, Y and C have established a reimbursement or other expense allowance arrangement for purposes of paragraph (f)(2)(iv)(C) of this section. Because Y substantiates directly to C and the reimbursement payment was not treated as compensation and wages paid to Y, under section 274(e)(3)(A) and paragraph (f)(2)(iv)(C)(*1*) of this section Y is not subject to the section 274 deduction limitations. Under paragraph (f)(2)(iv)(C)(*2*) of this section, C, the payor, is subject to the section 274 deduction limitations.

Example 3. (i) The facts are the same as in *Example 1*, except that the written agreement between L and C expressly provides that the limitations of this section will apply to C.

(ii) Under paragraph (f)(2)(iv)(D)(*2*)(*b*) of this section, L and C have established a reimbursement or other expense allowance arrangement for purposes of paragraph (f)(2)(iv)(C) of this section. Because the agreement provides that the 274 deduction limitations apply to C, under section 274(e)(3)(B) and paragraph (f)(2)(iv)(C) of this section, C and not L is subject to the section 274 deduction limitations.

Example 4. (i) The facts are the same as in *Example 1*, except that the agreement between L and C does not provide that C will reimburse L for travel expenses.

(ii) The arrangement between L and C is not a reimbursement or other expense allowance arrangement within the meaning of section 274(e)(3)(B) and paragraph (f)(2)(iv)(D)(*2*) of this section. Therefore, even though L accounts to C for the expenses, L is subject to the section 274 deduction limitations.

(F) *Effective/applicability date*. This paragraph (f)(2)(iv) applies to expenses paid or incurred in taxable years beginning after August 1, 2013.

* * * * *

Par. 3. Section 1.274–8 is revised to read as follows:

§1.274–8 Effective/applicability date.

Except as provided in §§1.274–2(a), 1.274–2(e), 1.274–2(f)(2)(iv)(F), and 1.274–5, §§1.274–1 through 1.274–7 apply to taxable years ending after December 31, 1962.

Beth Tucker,
Deputy Commissioner for Operations Support.

Approved June 25, 2013

Mark J. Mazur,
Assistant Secretary of the Treasury (Tax Policy).

(Filed by the Office of the Federal Register on July 31, 2013, 8:45 a.m., and published in the issue of the Federal Register for August 1, 2013, 78 F.R. 46502)

Section 337.—Nonrecognition for Property Distributed to Parent in Complete Liquidation of Subsidiary

TD 9626

DEPARTMENT OF THE TREASURY
Internal Revenue Service
26 CFR Part 1

Certain Transfers of Property to Regulated Investment Companies [RICs] and Real Estate Investment Trusts [REITs]

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations under section 337(d) of the Internal Revenue Code. These regulations provide guidance concerning certain transfers of property from a C corporation to a Regulated Investment Company (RIC) or a Real Estate Investment Trust (REIT). These regulations will affect the parties to such transactions.

DATES: *Effective Date:* These regulations are effective on August 2, 2013.

Applicability Date: For date of applicability, see §1.337(d)–7(f)(2).

FOR FURTHER INFORMATION CONTACT: Grid Glyer (202) 622–7530 or Maury Passman (202) 622–7750 with respect to the corporate issues, and David H. Kirk (202) 622–3060 with respect to the partnership issues (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

This document contains an amendment to 26 CFR Part 1. On April 16, 2012, a notice of proposed rulemaking (NPRM) concerning certain transfers of property (converted property) from a C corporation to a RIC or a REIT was published in the **Federal Register** (REG–139991–08; 77 FR 22516). One written comment was received and no public hearing was requested or held. This Treasury Decision adopts the proposed regulations with the changes discussed in this preamble.

Explanation and Summary of Comments

Section 1.337(d)–7 generally provides (in paragraphs (a) and (b)(1)) that if property of a C corporation (the C corporation transferor) becomes the property of a RIC or REIT by the qualification of that C corporation as a RIC or REIT or by the transfer of assets of that C corporation to a RIC or REIT (a conversion transaction), then the RIC or REIT will be subject to tax on the net built-in gain in the converted property under the rules of section 1374 and the underlying regulations (the general rule). The general rule, however, does not apply if the C corporation transferor makes a "deemed sale election" provided for under §1.337(d)–7(c) to recognize gain and

loss as if it sold the converted property to an unrelated person at fair market value.

The NPRM proposed to amend §1.337(d)–7 to provide two exceptions from the general rule. First, the general rule would not apply to the extent that the conversion transaction qualifies for nonrecognition treatment under either section 1031 (relating to like-kind exchanges) or section 1033 (relating to involuntary conversions) (the exchange exception). Second, a conversion transaction in which the C corporation that owned the converted property is a tax-exempt entity (within the meaning of §1.337(d)–4(c)(2)) would not be subject to the general rule if the tax-exempt entity would not be subject to tax (such as under the unrelated business income tax rules of section 511) on gain resulting from a deemed sale election had such an election been made under §1.337(d)–7(c)(5) (the tax-exempt exception).

The commenter requested clarification regarding the application of the tax-exempt exception. The IRS and Treasury Department recognize that it may be unclear whether the tax-exempt exception applies to a transaction in which some of the gain resulting from a deemed sale election would be subject to tax if such an election were made, and some of the resulting gain would not be subject to tax. For example, if a tax-exempt entity transferred an asset to a REIT and a portion of the gain resulting from a deemed sale election would be subject to tax under section 511, it may be unclear whether the tax-exempt exception applies to the portion of the gain that would be exempt from tax under section 501(a). Under one interpretation of the proposed regulations, the tax-exempt exception would not apply to any of the gain, including the portion that would be exempt from tax under section 501(a), because a portion of the gain would be subject to tax under section 511.

As noted in the NPRM, the IRS and Treasury Department believe that the general rule should not apply to transfers by tax-exempt entities to the extent that resulting gain (if any) would not be subject to tax under some Code provision were a deemed sale election made. Accordingly, the final regulations clarify that the general rule does not apply to a conversion transaction in which the C corporation that owned the converted property is a tax-exempt entity to the extent that gain would not be subject to tax under Title 26 of the United States Code if a deemed sale election were made. Thus, in the example described, the tax-exempt exception applies to the extent the deemed sale gain with respect to the converted property would be exempt from tax under section 501(a) because that portion of the gain would not be subject to tax under any Code provision had a deemed sale election been made. This is the case even though the tax-exempt exception does not apply to the extent the deemed sale gain with respect to the converted property would be subject to tax under section 511. This clarification is made in a new paragraph in §1.337(d)–7(d).

The commenter also requested clarification that the exchange exception applies to certain multi-party like-kind exchanges of property involving intermediaries, including "reverse like-kind exchanges" in which the replacement property is acquired before the relinquished property is transferred. The IRS and Treasury Department believe that the language of the exchange exception is sufficiently clear and operates to exclude from the general rule any realized gain that is not recognized by reason of either section 1031 or 1033, regardless of the specific transactional form. Accordingly, the IRS and Treasury Department do not believe that any change to the NPRM is necessary on this issue.

In addition, the commenter requested that a new exception to the general rule be added to address the fact pattern in which a REIT purchases appreciated property from a C corporation for cash or other consideration equal to the property's fair market value. According to the commenter, if the REIT does not have a continuing relationship with the C corporation, the REIT would have no way of knowing the extent to which the C corporation might not recognize any gain, whether pursuant to section 1031, 1033, or some other Code provision. Because the REIT's basis in property purchased in an arm's length transaction generally is its cost, the REIT should generally not have any built-in gain in the converted property. Thus, the commenter suggested that this fact pattern should never give rise to a conversion transaction.

The IRS and Treasury Department agree with the commenter that a RIC or REIT that purchases property in an arm's length transaction from a C corporation for an amount of cash equal to the property's fair market value should have a cost basis equal to fair market value. Thus, if the RIC or REIT subsequently were to sell the property at a gain during the recognition period, the RIC or REIT should be able to establish that the gain recognized is not built-in gain within the meaning of section 1374(d)(3). Accordingly, the IRS and Treasury Department do not believe that any change to the NPRM is necessary on this issue.

Finally, as suggested by the commenter, a reference in §1.337(d)–7(d)(1) of the NPRM is corrected to refer to section 1033(a)(2) instead of section 1033(b).

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. Pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6), it is hereby certified that these regulations would not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that these regulations do not create additional obligations for, or impose an economic impact on, small entities. Instead, these regulations provide an additional exception to the current regulations, and thus have a more limited application to all businesses, including small businesses, than the current regulations. Therefore, a regulatory flexibility analysis is not required. Pursuant to section 7805(f) of the Code, the proposed regulations preceding these 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.

Drafting Information

The principal authors of these regulations are Grid Glyer and Maury Passman of the Office of Associate Chief Counsel (Corporate). Other personnel from the IRS and Treasury Department participated in their development.

* * * * *

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

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

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

Section 1.337(d)–7 is also issued under 26 U.S.C. 337(d) * * *

Par. 2. Section 1.337(d)–7 is amended by:

1. Revising paragraphs (a)(2), (d)(1), (e), and (f).

2. Adding paragraphs (d)(3) and (d)(4).

The revisions and addition read as follows:

§1.337(d)–7 Tax on property owned by a C corporation that becomes property of a RIC or REIT.

(a) * * *

(2) *Definitions*. For purposes of this section:

(i) *C corporation*. The term *C corporation* has the meaning provided in section 1361(a)(2) except that the term does not include a RIC or a REIT.

(ii) *Conversion transaction*. The term *conversion transaction* means the qualification of a C corporation as a RIC or REIT or the transfer of property owned by a C corporation to a RIC or REIT.

(iii) *RIC*. The term *RIC* means a regulated investment company within the meaning of section 851(a).

(iv) *REIT*. The term *REIT* means a real estate investment trust within the meaning of section 856(a).

(v) *S corporation*. The term *S corporation* has the meaning provided in section 1361(a)(1).

* * * * *

(d) *Exceptions*.—

(1) *Gain otherwise recognized*. Paragraph (a)(1) of this section does not apply to any conversion transaction to the extent that gain or loss otherwise is recognized on such conversion transaction by the C corporation that either qualifies as a RIC or a REIT or that transfers property to a RIC or REIT. See, for example, sections 311(b), 336(a), 351(b), 351(e), 356, 357(c), 367, 368(a)(2)(F), 1001, 1031(b), and 1033(a)(2).

* * * * *

(3) *Special rules for like-kind exchanges and involuntary conversions*.—(i) *In general*. Paragraph (a)(1) of this section does not apply to a conversion transaction to the extent that a C corporation transfers property with a built-in gain to a RIC or REIT, and the C corporation's gain is not recognized by reason of either section 1031 or 1033.

(ii) *Clarification regarding exchanged property previously subject to section 1374 treatment*. Notwithstanding paragraph (d)(3)(i) of this section, if, in a transaction described in paragraph (d)(3)(i) of this section, a RIC or REIT surrenders property that was subject to section 1374 treatment immediately prior to the transaction, the rules of section 1374(d)(6) will apply to continue section 1374 treatment to the replacement property acquired by the RIC or REIT in the transaction.

(iii) *Examples*. The rules of this paragraph (d)(3) are illustrated by the following examples. In each of the examples, X is a REIT, Y is a C corporation, and X and Y are not related.

Example 1. Section 1031(a) exchange. (i) *Facts*. X owned a building that it leased for commercial use (Property A). Y owned a building leased for commercial use (Property B). On January 1, Year 3, Y transferred Property B to X in exchange for Property A in a nonrecognition transaction under section 1031(a). Immediately before the exchange, Properties A and B each had a value of $100, X had an adjusted basis of $60 in Property A, Y had an adjusted basis of $70 in Property B, and X was not subject to section 1374 treatment with respect to Property A.

(ii) *Analysis*. The transfer of property (Property B) by Y (a C corporation) to X (a REIT) is a conversion transaction within the meaning of paragraph (a)(2)(ii) of this section. The conversion transaction is a nonrecognition transaction under section 1031(a) as to Y; thus, Y does not recognize any of its $30 gain. Therefore, the conversion transaction is not subject to paragraph (a)(1) of this section by reason of paragraph (d)(3)(i) of this section.

Example 2. Section 1031(a) exchange of section 1374 property. (i) *Facts*. The facts are the same as in *Example 1*, except that X had acquired Property A in a conversion transaction in Year 2, and immediately before the Year 3 exchange X was subject to section 1374 treatment with respect to $25 of net built-in gain in Property A.

(ii) *Analysis*. The Year 3 transfer of Property B by Y to X is a conversion transaction within the meaning of paragraph (a)(2)(ii) of this section. The conversion transaction is a nonrecognition transaction under section 1031(a) as to Y; thus, Y does not recognize any of its $30 gain. Therefore, the Year 3 transfer is not subject to paragraph (a)(1) of this section by reason of paragraph (d)(3)(i) of this section. However, X had been subject to section 1374 treatment with respect to $25 of net built-in gain in Property A immediately before the Year 3 transfer, and X's basis in Property B is determined (in whole or in part) by reference to its adjusted basis in Property A. Accordingly, the rules of section 1374(d)(6) apply and X is subject to section 1374 treatment on Property B with respect to the $25 net built-in gain. See paragraph (d)(3)(ii) of this section.

Example 3. Section 1031(b) exchange. (i) *Facts*. The facts are the same as in *Example 1*, except that immediately before the Year 3 exchange Property A had a value of $92, and X transferred Property A and $8 to Y in exchange for Property B in a nonrecognition transaction under section 1031(b).

(ii) *Analysis*. The transfer of Property B by Y to X is a conversion transaction within the meaning of paragraph (a)(2)(ii) of this section. Pursuant to section 1031(b), Y recognizes $8 of its gain. Paragraph (a)(1) of this section does not apply to the transaction to the extent of the $8 gain recognized by Y by reason of paragraph (d)(1) of this section, or to the extent of the $22 gain realized but not recognized by Y by reason of paragraph (d)(3)(i) of this section.

Example 4. Section 1033(a) involuntary conversion of property held by a C corporation transferor. (i) *Facts*. Y owned uninsured, improved property (Property 1) that was involuntarily converted (within the meaning of section 1033(a)) in a fire. Y sold Property 1 for $100 to X, which owned an adjacent property and wanted Property 1 for use as a parking lot. Y had a $70 basis in Property 1 immediately before the sale. Y elected to defer gain recognition under section 1033(a)(2), and purchased qualifying replacement property (Property 2) for $100 from an unrelated party prior to the expiration of the period described in section 1033(a)(2)(B).

(ii) *Analysis*. The transfer of Property 1 by Y to X is a conversion transaction within the meaning of paragraph (a)(2)(ii) of this section. The conversion transaction (combined with Y's purchase of Property 2) is a nonrecognition transaction under section 1033(a) as to Y; thus, Y does not recognize any of its $30 gain. Therefore, the conversion transaction is not subject to paragraph (a)(1) of this section by reason of paragraph (d)(3)(i) of this section.

Example 5. Section 1033(a) involuntary conversion of property held by a REIT. (i) *Facts*. X owned property (Property 1). On January 1, Year 2, Property 1 had a fair market value of $100 and a basis of $70, and X was not subject to section 1374 treatment with respect to Property 1. On that date, when Property 1 was under a threat of condemnation, X sold Property 1 to an unrelated party for $100 (First Transaction). X elected to defer gain recognition under section 1033(a)(2), and purchased qualifying replacement property (Property 2) for $100 from Y (Second Transaction) prior to the expiration of the period described in section 1033(a)(2)(B).

(ii) *Analysis*. The transfer of Property 2 by Y to X in the Second Transaction is a conversion transaction within the meaning of paragraph (a)(2)(ii) of this section. The Second Transaction (combined with the First Transaction) is a nonrecognition transaction under section 1033(a) as to X, but not as to Y. Assume no nonrecognition provision applied to Y; thus, Y recognized gain or loss on its sale of Property 2 in the Second Transaction, and the Second Transaction is not subject to paragraph (a)(1) of this section by reason of paragraph (d)(1) of this section.

(4) *Special rule if C corporation is a tax-exempt entity*. Paragraph (a)(1) of this section does not apply to a conversion transaction in which the C corporation that owned the converted property is a tax-exempt entity described in §1.337(d)–4(c)(2) to the extent that gain (if any) would not be subject to tax under Title 26 of the United States Code if a deemed sale election under paragraph (c)(5) of this section were made.

(e) *Special rule for partnerships*—(1) *In general*. The principles of this section apply to property transferred by a partnership to a RIC or REIT to the extent of any gain or loss in the converted property that would be allocated directly or indirectly, through one or more partnerships, to a C corporation if the partnership sold the converted property to an unrelated party at fair market value on the deemed sale date (as defined in paragraph (c)(3) of this section). If the partnership were to elect deemed sale treatment under paragraph (c) of this section in lieu of section 1374 treatment under paragraph (b) of this section with respect to such transfer, then any net gain recognized by the partnership on the deemed sale must be allocated to the C corporation partner, but does not increase the capital account of any partner. Any adjustment to the partnership's basis in the RIC or REIT stock as a result of deemed sale treatment under paragraph (c) of this section shall constitute an adjustment to the basis of that stock with respect to the C corporation partner only. The principles of section 743 apply to such basis adjustment.

(2) *Example. Transfer by partnership of property to REIT*. (i) *Facts*. PRS, a partnership for Federal income tax purposes, has three partners: TE, a C corporation (within the meaning of paragraph (a)(2)(i) of this section) that is also a tax-exempt entity (within the meaning of §1.337(d)–4(c)(2)), owns 50 percent of the capital and profits of PRS; A, an individual, owns 30 percent of the capital and profits of PRS; and Y, a C corporation (within the meaning of paragraph (a)(2)(i) of this section), owns the remaining 20 percent. PRS owns a building that it leases for commercial use (Property 1). On January 1, Year 2, when PRS has an adjusted basis in Property 1 of $100 and Property 1 has a fair market value of $500, PRS transfers Property 1 to X, a REIT, in exchange for stock of X in an exchange described in section 351. PRS does not elect deemed sale treatment under paragraph (c) of this section. TE would not be subject to tax with respect to any gain that would be allocated to it if PRS had sold Property 1 to an unrelated party at fair market value.

(ii) *Analysis*. The transfer of Property 1 by PRS to X is a conversion transaction within the meaning of paragraph (a)(2)(ii) of this section to the extent of any gain or loss that would be allocated to any C corporation partner if PRS sold Property 1 at fair market value to an unrelated party on the deemed sale date. TE and Y are C corporations, but A is not a C corporation within the meaning of paragraph (a)(2)(i) of this section. Therefore, the transfer of Property 1 by PRS to X is a conversion transaction within the meaning of paragraph (a)(2)(ii) of this section to the extent of the gain in Property 1 that would be allocated to TE and Y. Pursuant to paragraph (d)(4) of this section, paragraph (a)(1) of this section does not apply to the extent of the gain that would be allocated to TE if PRS had sold Property 1 to an unrelated party at fair market value on the deemed sale date. If PRS were to sell Property 1 to an unrelated party at fair market value on the deemed sale date, PRS would allocate $80 of built-in gain to Y. Thus, X is subject to section 1374 treatment on Property 1 with respect to $80 of built-in gain.

(f) *Effective/Applicability date*— (1) *In general*. Except as provided in paragraph (f)(2) of this section, this section applies to conversion transactions that occur on or after January 2, 2002. For conversion transactions that occurred on or after June 10, 1987, and before January 2, 2002, see §§1.337(d)–5 and 1.337(d)–6.

(2) *Special rule*. Paragraphs (a)(2), (d)(1), (d)(3), (d)(4), and (e) of this section apply to conversion transactions that occur on or after August 2, 2013. However, taxpayers may apply paragraphs (a)(2), (d)(1), (d)(3), (d)(4), and (e) of this section to conversion transactions that occurred before August 2, 2013. For conversion transactions that occurred on or after January 2, 2002, and before August 2, 2013, see §1.337(d)–7 as contained in 26 CFR part 1 in effect on April 1, 2013.

Beth Tucker,
Deputy Commissioner for Services and Enforcement.

Approved June 25, 2013

Mark J. Mazur,
Assistant Secretary of the Treasury (Tax Policy).

(Filed by the Office of the Federal Register on August 1, 2013, 8:45 a.m., and published in the issue of the Federal Register for August 2, 2013, 78 F.R. 46805)

Part III. Administrative, Procedural, and Miscellaneous

Branded Prescription Drug Fee; Guidance for the 2014 Fee Year

Notice 2013–51

Purpose

This notice provides guidance on the branded prescription drug fee for the 2014 fee year related to (1) the submission of Form 8947, *Report of Branded Prescription Drug Information*, (2) the time and manner for notifying covered entities of their preliminary fee calculation, (3) the time and manner for submitting error reports for the dispute resolution process, and (4) the time for notifying covered entities of their final fee calculation.

Background

An annual fee on covered entities engaged in the business of manufacturing or importing branded prescription drugs is imposed by section 9008 of the Patient Protection and Affordable Care Act, Public Law 111–148 (124 Stat. 119 (2010)), as amended by section 1404 of the Health Care and Education Reconciliation Act of 2010, Public Law 111–152 (124 Stat. 1029 (2010)).

The Branded Prescription Drug Fee Regulations in 26 C.F.R. Part 51, which were published on August 18, 2011 (76 FR 51245), provide the method by which each covered entity's annual fee is calculated. These regulations also define terms for the administration of the fee. As relevant for this notice, § 51.2T(g) defines *fee year* as the calendar year in which the fee for a particular sales year must be paid and § 51.2T(m) defines *sales year* as the second calendar year preceding the fee year.

Section 51.3T provides that annually, each covered entity may submit a completed Form 8947, *Report of Branded Prescription Drug Information*, in accordance with the instructions for the form. Generally, the form solicits information from covered entities on National Drug Codes, orphan drugs, designated entities, rebates, and other information specified by the form or its instructions. The form is to be filed by the date prescribed in guidance published in the Internal Revenue Bulletin.

Section 51.6T provides that for each sales year the Internal Revenue Service (IRS) will make a preliminary fee calculation for each covered entity and will notify each covered entity of this calculation by the date prescribed in guidance published in the Internal Revenue Bulletin. This notification will also include additional prescribed information. As used in this notice, "notice of preliminary fee calculation" includes the additional prescribed information.

Section 51.7T provides that upon receipt of its preliminary fee calculation, each covered entity will have an opportunity to dispute this calculation by submitting to the IRS an error report with prescribed information. Sections 51.7T(b) and (c) set out the information that a covered entity must submit to support each asserted error. Section 51.7T(d) provides that each covered entity must submit its error report(s) in the form and manner that is prescribed in guidance published in the Internal Revenue Bulletin. This guidance will also prescribe the date by which each covered entity must submit its report(s).

Section 51.8T provides that the IRS will send each covered entity its final fee calculation no later than August 31st of each fee year and also provides that covered entities must pay their fee by September 30th of the fee year.

Submission of Form 8947

For the 2014 fee year, a covered entity that chooses to submit Form 8947 must file the form by November 1, 2013.

Time and manner for notifying covered entities of their preliminary fee calculation

For the 2014 fee year, the IRS will mail each covered entity a paper notice of its preliminary fee calculation by March 3, 2014. This mailing will include a National Drug Code (NDC) attachment (NDC attachment) that lists the covered entity's NDCs and the sales data reported to the IRS by each government program pursuant to § 51.4T.

A covered entity may request that the IRS send a CD-ROM with the NDC attachment in Microsoft Excel format. The covered entity must make this request by February 17, 2014. This request must be made either by telephone to Ingrid Taylor at (908) 301–2118 or Mi Lim at (312) 292–3775 (not toll-free calls) or by email to *it.bpd.fee@irs.gov*. If a covered entity makes this request timely, the IRS will mail the covered entity its notice of preliminary fee calculation on paper and the NDC attachment on paper and CD-ROM by March 3, 2014.

Time and manner for submitting error reports for the dispute resolution process

For the 2014 fee year, a covered entity that chooses to submit an error report regarding its preliminary fee calculation must mail the error report by May 15, 2014.

When the IRS mails each covered entity a notice of its preliminary fee calculation by March 3, 2014, the IRS will also send each covered entity a template on a CD-ROM that the covered entity must use to prepare its error report. All completed templates and the supporting documentation must be submitted on a CD-ROM and sent by mail to:

Department of the Treasury
Internal Revenue Service —
Branded Prescription Drug Fee
1973 N. Rulon White Boulevard,
Mail Stop 4916
Ogden, UT 84404

Notification of Final Fee Calculation

In accordance with § 51.8T(a), the IRS will notify each covered entity of its final fee calculation for 2014 by August 29, 2014. In accordance with § 51.8T(c), each covered entity must pay this fee by September 30, 2014.

Effect on Other Documents

Notice 2012–74, 2012–51 I.R.B. 714, which provides guidance for the 2013 fee year, is obsoleted.

Drafting Information

The principal author of this notice is Celia Gabrysh of the Office of

Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice contact Celia Gabrysh at (202) 622–3130 (not a toll-free call).

Part IV. Items of General Interest

Deadline to Submit Opinion and Advisory Letter Applications for Defined Benefit Mass Submitter Plans is Extended to January 31, 2014

Announcement 2013–37

This announcement extends to January 31, 2014, the deadline to submit on-cycle applications for opinion and advisory letters for sponsors and practitioners maintaining defined benefit mass submitter lead plans for the plans' second six-year remedial amendment cycle. Under Rev. Proc. 2007–44, 2007–2 C.B. 54, and Rev. Proc. 2011–49, 2011–44 I.R.B. 608, the submission period for these applications was scheduled to expire October 31, 2013.

Effect on Other Documents

Rev. Proc. 2007–44 and Rev. Proc. 2011–49 are modified.

DRAFTING INFORMATION

The principal author of this announcement is Angelique Carrington of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this announcement, please call the Employee Plans taxpayer assistance answering service at (877) 829–5500 (a toll-free number) or e-mail Ms. Carrington at *retirementplanquestions@irs.gov*.

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]

Bulletins 2013–27 through 2013–34

Announcements:

2013-35, 2013-27 I.R.B. *46*
2013-36, 2013-33 I.R.B. *142*
2013-37, 2013-34 I.R.B. *155*

Notices:

2013-41, 2013-29 I.R.B. *60*
2013-42, 2013-29 I.R.B. *61*
2013-43, 2013-31 I.R.B. *113*
2013-44, 2013-29 I.R.B. *62*
2013-45, 2013-31 I.R.B. *116*
2013-46, 2013-31 I.R.B. *117*
2013-47, 2013-31 I.R.B. *120*
2013-48, 2013-31 I.R.B. *120*
2013-49, 2013-32 I.R.B. *127*
2013-50, 2013-32 I.R.B. *133*
2013-51, 2013-34 I.R.B. *153*

Proposed Regulations:

REG-140789-12, 2013-32 I.R.B. *136*

Revenue Procedures:

2013-28, 2013-27 I.R.B. *28*
2013-29, 2013-33 I.R.B. *141*
2013-32, 2013-28 I.R.B. *55*

Revenue Rulings:

2013-13, 2013-32 I.R.B. *124*
2013-15, 2013-28 I.R.B. *47*

Treasury Decisions:

9620, 2013-27 I.R.B. *1*
9621, 2013-28 I.R.B. *49*
9622, 2013-30 I.R.B. *64*
9623, 2013-30 I.R.B. *73*
9624, 2013-31 I.R.B. *86*
9625, 2013-34 I.R.B. *147*
9626, 2013-34 I.R.B. *149*

[1] A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2013–1 through 2013–26 is in Internal Revenue Bulletin 2013–26, dated June 24, 2013.

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

Bulletins 2013–27 through 2013–34

Notices:

2012-74
Obsoleted by
Notice 2013-51, 2013-34 I.R.B. *153*

2013-39
Amplified by
Notice 2013-47, 2013-31 I.R.B. *120*

2013-40
Amplified by
Notice 2013-47, 2013-31 I.R.B. *120*

Revenue Procedures:

81-60
Modified by
Rev. Proc. 2013-32, 2013-28 I.R.B. *55*

83-59
Modified by
Rev. Proc. 2013-32, 2013-28 I.R.B. *55*

86-42
Modified by
Rev. Proc. 2013-32, 2013-28 I.R.B. *55*

90-52
Modified by
Rev. Proc. 2013-32, 2013-28 I.R.B. *55*

96-30
Modified by
Rev. Proc. 2013-32, 2013-28 I.R.B. *55*

2003-48
Obsoleted in part and superseded in part by
Rev. Proc. 2013-32, 2013-28 I.R.B. *55*

2004-34
Modified and clarified by
Rev. Proc. 2013-29, 2013-33 I.R.B. *141*

2007-44
Modified by
Ann. 2013-37, 2013-34 I.R.B. *155*

2009-25
Pilot program discontinued by
Rev. Proc. 2013-32, 2013-28 I.R.B. *55*

2011-18
Modified and clarified by
Rev. Proc. 2013-29, 2013-33 I.R.B. *141*

2011-49
Modified by
Ann. 2013-37, 2013-34 I.R.B. *155*

2012-25
Obsoleted in part by
Rev. Proc. 2013-28, 2013-27 I.R.B. *28*

Revenue Procedures— Continued:

2013-1
Amplified and modified by
Rev. Proc. 2013-32, 2013-28 I.R.B. *55*

2013-3
Amplified and modified by
Rev. Proc. 2013-32, 2013-28 I.R.B. *55*

Treasury Decisions:

9612
Corrected by
Ann. 2013-35, 2013-27 I.R.B. *46*

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

Internal Revenue Service
Washington, DC 20224

INTERNAL REVENUE BULLETIN

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/*.

CUMULATIVE BULLETINS

The contents of the weekly Bulletins were consolidated semiannually into permanent, indexed, Cumulative Bulletins through the 2008–2 edition.

INTERNAL REVENUE BULLETINS ON CD-ROM

Internal Revenue Bulletins are available annually as part of Publication 1796 (Tax Products CD-ROM). The CD-ROM can be purchased from National Technical Information Service (NTIS) on the Internet at *www.irs.gov/cdorders* (discount for online orders) or by calling 1-877-233-6767. The first release is available in mid-December and the final release is available in late January.

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 IRS Bulletin Unit, SE:W:CAR:MP:P:SPA, Washington, DC 20224.