

Part III - Administrative, Procedural, and Miscellaneous

Inflation-adjusted Amounts for 2001

Notice 2001-12

PURPOSE

This notice clarifies Rev. Proc. 2001-13, 2001-3 I.R.B. (Jan. 16, 2001), to provide that the inflation-adjustment amounts set forth in Part I of section 3 of that revenue procedure are the applicable amounts for 2001 in light of recently enacted legislation.

BACKGROUND

Section 3 of Rev. Proc. 2001-13, released on December 15, 2000, set forth two alternative sets of inflation adjustment figures for 2001 for certain items. Part I of section 3 provided the figures for these items that would apply if certain legislation, pending on the date of release, were to be enacted. Part II of section 3 provided alternative figures for these items that would apply if the pending legislation were not enacted. Section 2.02 of Rev. Proc. 2001-13 stated that the Service would issue subsequent notification clarifying whether the amounts set forth in Part I or Part II of section 3 are in fact the appropriate figures for 2001.

The then-pending legislation was subsequently enacted as section 308 of H.R. 5662, the Community Renewal Tax Relief Act of 2000 (the "Act"), the text of which was incorporated by reference in section 1(a)(7) of the Consolidated Appropriations Act of 2001, Public Law 106-554, 106th Cong., 2nd Sess. (Dec. 21, 2000).

APPLICATION

As a result of section 308 of the Act, the tax tables and other items adjusted for inflation for 2001 in Rev. Proc. 2001-13 are required to reflect the unpublished corrections made by the Bureau of Labor Statistics in the Consumer Price Index for All Urban Consumers for September 1999 through December 1999. Thus, the applicable inflation-adjusted amounts for 2001 are those set forth in Part I of section 3 of Rev. Proc. 2001-13. Part II of section 3 should be disregarded. The specific items that are affected are:

- (1) the tax rate tables (set forth in section 3.01);
- (2) certain figures relating to the earned income tax credit (section 3.03);
- (3) the aggregate amount of gifts received from foreign persons for purposes of information reporting under § 6039F (section 3.22); and
- (4) the amount used to determine the validity of certain tax liens under § 6323(b)(7) (section 3.23).

EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2001-13 is clarified.

DRAFTING INFORMATION

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