

# Internal Revenue bulletin

Bulletin No. 2003-4  
January 27, 2003

## 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.

## SPECIAL ANNOUNCEMENT

### Announcement 2003-3, page 361.

This announcement lists the names of the neutrals that have been qualified by the Service and Chief Counsel to serve as arbitrators for contingent liability transaction cases proceeding under Rev. Proc. 2002-67, 2003-43 I.R.B. 733.

## INCOME TAX

### Rev. Rul. 2003-9, page 303.

**LIFO; price indexes; department stores.** The November 2002 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, November 30, 2002.

### Rev. Rul. 2003-14, page 302.

**Cost-share payments; SWCA.** The Soil and Water Conservation Assistance Program (SWCA) is substantially similar to the type of programs described in sections 126(a)(1) through (8) within the meaning of section 126(a)(9) of the Code. All or a portion of cost-share payments received under the SWCA program is eligible for exclusion from gross income to the extent permitted by section 126.

### Rev. Rul. 2003-15, page 302.

**Cost-share payments; AMA.** The Agricultural Management Assistance Program (AMA) is substantially similar to the type of programs described in sections 126(a)(1) through (8) within the meaning of section 126(a)(9) of the Code. All or a portion of cost-share payments received under the AMA program is eligible for exclusion from gross income to the extent permitted by section 126.

### Rev. Proc. 2003-11, page 311.

This procedure describes the Service's Offshore Voluntary Compliance Initiative for taxpayers that have underreported their United States income tax liability through financial arrangements that in any manner rely on the use of offshore payment cards or offshore financial arrangements.

## EMPLOYEE PLANS

### Notice 2003-7, page 310.

**Weighted average interest rate update.** The weighted average interest rate for January 2003 and the resulting permissible range of interest rates used to calculate current liability for purposes of the full funding limitation of section 412(c)(7) of the Code are set forth.

### Rev. Proc. 2003-13, page 317.

**Deemed IRAs; section 602 of EGTRRA.** This procedure describes the application of section 408(q) of the Code for deemed IRAs as added by section 602 of the Economic Growth and Tax Relief Reconciliation Act for plan years after December 31, 2002.

### Rev. Proc. 2003-16, page 359.

**Section 644 of EGTRRA; 60-day rollover requirement; waiver.** This document describes a procedure for obtaining a waiver of the 60-day rollover requirement under sections 402(c)(3) and 408(d)(3) of the Code for distributions after December 31, 2001.

## EXEMPT ORGANIZATIONS

### Rev. Rul. 2003-13, page 305.

**Transfers of assets.** This ruling describes the responsibilities of a private foundation relating to section 507 and chapter 42 (sections 4940-4945) of the Code when it transfers all of its assets to one or more public charities described in sections 509(a)(1), 509(a)(2), or 509(a)(3).

(Continued on the next page)

Finding Lists begin on page ii.



Department of the Treasury  
Internal Revenue Service

## EXEMPT ORGANIZATIONS—CONT.

### **Rev. Proc. 2003–12, page 316.**

This procedure clarifies that an entity described in section 501(c)(3) of the Code can also meet the requirements of section 115(1). It also provides information on drafting dissolution clauses in the articles of organization of a section 501(c)(3) entity that requests a letter ruling that its income is excluded from gross income under section 115(1).

## ADMINISTRATIVE

### **Notice 2003–8, page 310.**

This notice advises that until further notice from the Service, no information reporting will be required under section 6045 of the Code with regard to securities futures contracts.

### **Rev. Proc. 2003–11, page 311.**

This procedure describes the Service's Offshore Voluntary Compliance Initiative for taxpayers that have underreported their United States income tax liability through financial arrangements that in any manner rely on the use of offshore payment cards or offshore financial arrangements.

### **Rev. Proc. 2003–14, page 319.**

**Indian tribal government trusts for minors.** This procedure provides a safe harbor under which the Service will treat an Indian tribe as the grantor and owner of a trust for the receipt of gaming revenues under the Indian Gaming Regulatory Act (25 U.S.C. sections 2701–2721) (IGRA) for the benefit of minors or legal incompetents. Beneficiaries of an IGRA trust will not be required to include amounts in gross income when transferred to, or earned by, the IGRA trust under the economic benefit doctrine. Comments are requested on the application of the economic benefit doctrine to IGRA trusts that are not within the scope of this revenue procedure and the type of trust provisions that preclude the application of the economic benefit doctrine. Rev. Proc. 2003–3 amplified.

### **Rev. Proc. 2003–15, page 321.**

This procedure provides issuers of qualified mortgage bonds, as defined in section 143(a) of the Code, and issuers of mortgage credit certificates, as defined in section 25(c), with a list of qualified census tracts for each state and the District of Columbia. The qualified census tracts are based on data from the 2000 census. Rev. Proc. 93–38 obsolete.

# The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax 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 and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are consolidated semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

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 first 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 first Bulletin of the succeeding semiannual period, respectively.

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

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

## Section 25.—Interest on Certain Home Mortgages

26 CFR 1.25-3T: *Qualified mortgage credit certificate.*

The qualified census tracts for the states and the District of Columbia are set forth for use in determining the portion of loans required to be placed in targeted areas under section 143(h). See Rev. Proc. 2003-15, page 321.

## Section 61.—Gross Income Defined

26 CFR 1.61-1: *Gross income.*

Beneficiaries of trusts for the receipt of gaming revenues under the Indian Gaming Regulatory Act for the benefit of minors or legal incompetents that conform to the procedures of this revenue procedure will not be required to include amounts in gross income when transferred to, or earned by, the trust under the economic benefit doctrine. Rather, beneficiaries will include amounts in income when actually or constructively received. See Rev. Proc. 2003-14, page 319.

## Section 103.—Interest on State and Local Bonds

26 CFR 1.103-1: *Interest upon obligations of a State, Territory, etc.*

The qualified census tracts for the states and the District of Columbia are set forth for use in determining the portion of loans required to be placed in targeted areas under section 143(h). See Rev. Proc. 2003-15, page 321.

## Section 126.—Certain Cost-Sharing Payments

26 CFR 16A.126-1: *Certain cost-sharing payments — In general (Temporary).*

**Cost-share payments; SWCA.** The Soil and Water Conservation Assistance Program (SWCA) is substantially similar to the type of programs described in sections 126(a)(1) through (8) within the meaning of section 126(a)(9) of the Code. All or a portion of cost-share payments received under the SWCA program is eligible for exclusion from gross income to the extent permitted by section 126.

## Rev. Rul. 2003-14

### ISSUE

Is the Soil and Water Conservation Assistance (SWCA) program substantially similar to the type of programs described in § 126(a)(1) through (8) of the Internal Revenue Code, so that the SWCA program is within the scope of § 126(a)(9) and, thereby, cost-share payments received under the SWCA program are eligible for exclusion from gross income to the extent permitted by § 126?

### FACTS

The SWCA program, authorized under the provisions of Title II of the Agricultural Risk Protection Act of 2000, Pub. L. No. 106-224, 114 Stat. 358, is a voluntary program that provides payments to farmers and ranchers to implement measures needed to conserve and improve soil, water, and related natural resources and to comply with federal and state environmental laws. A farmer or rancher who participates in the SWCA program enters into a 5 to 10 year cost-share agreement with the Department of Agriculture pursuant to which the farmer or rancher agrees to implement specific eligible conservation practices in return for cost-share payments in the amount of 75 percent of the cost of an eligible practice. The total maximum payment per participant cannot exceed \$50,000.

The Secretary of Agriculture has determined that cost-share payments under the SWCA program are primarily for the purpose of conservation.

### LAW AND ANALYSIS

Under § 126(a), gross income does not include the excludable portion of payments received under certain conservation programs set forth in § 126(a)(1) through (8). Under § 126(a)(9), a program affecting “small watersheds” that is administered by the Secretary of Agriculture also is eligible for § 126 treatment if the Commissioner determines that the program is substantially similar to the type of pro-

grams described in §§ 126(a)(1) through (8). See § 16A.126-1(d)(3) of the temporary Income Tax Regulations for the definition of “small watershed.”

Once the Commissioner has determined that a program is substantially similar to the types of programs described in § 126(a)(1) through (8), taxpayers receiving cost-share payments under that program must determine what portion of the cost-share payments is excludable from gross income under § 126. See § 126(b)(1), and § 16A.126-1 relating to the partial exclusion for certain cost-share payments to determine what portion of the cost-share payments is excludable from gross income under § 126.

### HOLDING

The SWCA program is substantially similar to the type of programs described in §§ 126(a)(1) through (8) within the meaning of § 126(a)(9). All or a portion of cost-share payments received under the SWCA program is eligible for exclusion from gross income to the extent permitted by § 126. See § 126(b)(1) and § 16A.126-1 to determine what portion, if any, of the cost-share payments is excludable from gross income under § 126.

### DRAFTING INFORMATION

The principal author of this revenue ruling is Nicole R. Cimino of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue ruling, contact Ms. Cimino at (202) 622-3120 (not a toll-free call).

26 CFR 16A.126-1: *Certain cost-sharing payments — In general (Temporary).*

**Cost-share payments; AMA.** The Agricultural Management Assistance Program (AMA) is substantially similar to the type of programs described in sections 126(a)(1) through (8) within the meaning of section 126(a)(9) of the Code. All or a portion of cost-share payments received under the AMA program is eligible for exclu-



sion from gross income to the extent permitted by section 126.

## Rev. Rul. 2003-15

### ISSUE

Is the Agricultural Management Assistance (AMA) program substantially similar to the type of programs described in § 126 (a)(1) through (8) of the Internal Revenue Code, so that the AMA program is within the scope of § 126(a)(9) and, thereby, cost-share payments received under the AMA program are eligible for exclusion from gross income to the extent permitted by § 126?

### FACTS

The AMA program, authorized under the provisions of Title I of the Agricultural Risk Protection Act of 2000, Pub. L. No. 106-224, 114 Stat. 358, is a voluntary program that provides cost-share assistance to agricultural producers to address threats to soil, water, and related natural resources by incorporating certain conservation practices into their farming operations. An agricultural producer who participates in the AMA program enters into a 5 to 10 year cost-share agreement with the Department of Agriculture pursuant to which the agricultural producer agrees to implement eligible conservation practices in return for cost-share payments in the amount of 75 percent of the cost of the eligible practice, with a limit of \$50,000 per person for any fiscal year. The total cost-share payments paid per person over the course of the contract cannot exceed \$150,000.

The Secretary of Agriculture has determined that cost-share payments under the AMA program are primarily for the purpose of conservation.

### LAW AND ANALYSIS

Under § 126(a), gross income does not include the excludable portion of payments received under certain conservation programs set forth in § 126(a)(1) through (8). Under § 126(a)(9), a program affecting “small watersheds” that is administered by the Secretary of Agriculture also is eligible for § 126 treatment if the Commissioner determines that the program is substantially similar to the type of pro-

grams described in §§ 126(a)(1) through (8). See § 16A.126-1(d)(3) of the temporary Income Tax Regulations for the definition of “small watershed.”

Once the Commissioner has determined that a program is substantially similar to the types of programs described in § 126(a)(1) through (8), taxpayers receiving cost-share payments under that program must determine what portion of the cost-share payments is excludable from gross income under § 126. See § 126(b)(1), and § 16A.126-1 relating to the partial exclusion for certain cost-share payments to determine what portion of the cost-share payments is excludable from gross income under § 126.

### HOLDING

The AMA program is substantially similar to the type of programs described in §§ 126(a)(1) through (8) within the meaning of § 126(a)(9). All or a portion of cost-share payments received under the AMA program is eligible for exclusion from gross income to the extent permitted by § 126. See § 126(b)(1) and § 16A.126-1 to determine what portion, if any, of the cost-share payments is excludable from gross income under § 126.

### DRAFTING INFORMATION

The principal author of this revenue ruling is Nicole R. Cimino of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue ruling, contact Ms. Cimino at (202) 622-3120 (not a toll-free call).

## Section 143.—Mortgage Revenue Bonds: Qualified Mortgage Bond and Qualified Veterans' Mortgage Bond

*26 CFR 6a.103A-2: Qualified mortgage bond.*

The qualified census tracts for the states and the District of Columbia are set forth for use in determining the portion of loans required to be placed in targeted areas under section 143(h). See Rev. Proc. 2003-15, page 321.

## Section 402.—Taxability of Beneficiary of Employees' Trust

Pursuant to section 644 of the Economic Growth and Tax Relief Reconciliation Act of 2001, a revenue procedure provides a method for obtaining a waiver from the 60-day rollover requirement of section 402(c)(3)(A) of the Internal Revenue Code. See Rev. Proc. 2003-16, page 359.

## Section 408.—Individual Retirement Accounts

Pursuant to section 644 of the Economic Growth and Tax Relief Reconciliation Act of 2001, a revenue procedure provides a method for obtaining a waiver from the 60-day rollover requirement of section 408(d)(3)(A) and (D) of the Internal Revenue Code. See Rev. Proc. 2003-16, page 359.

## Section 451.—General Rule for Taxable Year of Inclusion

*26 CFR 1.451-1: General rule for taxable year of inclusion.*

Beneficiaries of trusts for the receipt of gaming revenues under the Indian Gaming Regulatory Act for the benefit of minors or legal incompetents that conform to the procedures of this revenue procedure will not be required to include amounts in gross income when transferred to, or earned by, the trust under the economic benefit doctrine. Rather, beneficiaries will include amounts in income when actually or constructively received. See Rev. Proc. 2003-14, page 319.

## Section 472.—Last-in, First-out Inventories

*26 CFR 1.472-1: Last-in, first-out inventories.*

**LIFO; price indexes; department stores.** The November 2002 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, November 30, 2002.

## Rev. Rul. 2003-9

The following Department Store Inventory Price Indexes for November 2002 were issued by the Bureau of Labor Statistics. The indexes are accepted by the Internal Revenue Service, under § 1.472-1(k) of the Income Tax Regulations and Rev. Proc. 86-46, 1986-2 C.B. 739, for appropriate ap-

plication to inventories of department stores employing the retail inventory and last-in, first-out inventory methods for tax years ended on, or with reference to, November 30, 2002.

The Department Store Inventory Price Indexes are prepared on a national basis and include (a) 23 major groups of departments, (b) three special combinations of the major groups — soft goods, durable goods,

and miscellaneous goods, and (c) a store total, which covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco, and contract departments.

BUREAU OF LABOR STATISTICS, DEPARTMENT STORE  
INVENTORY PRICE INDEXES BY DEPARTMENT GROUPS  
(January 1941 = 100, unless otherwise noted)

Groups	Nov. 2001	Nov. 2002	Percent Change from Nov. 2001 to Nov. 2002 <sup>1</sup>
1. Piece Goods .....	492.1	473.3	-3.8
2. Domestics and Draperies .....	597.2	571.3	-4.3
3. Women's and Children's Shoes .....	659.0	652.4	-1.0
4. Men's Shoes .....	877.2	899.2	2.5
5. Infants' Wear .....	641.4	622.7	-2.9
6. Women's Underwear .....	574.5	551.8	-4.0
7. Women's Hosiery .....	355.0	345.3	-2.7
8. Women's and Girls' Accessories .....	562.2	559.1	-0.6
9. Women's Outerwear and Girls' Wear .....	385.3	373.5	-3.1
10. Men's Clothing .....	582.7	572.1	-1.8
11. Men's Furnishings .....	625.4	603.6	-3.5
12. Boys' Clothing and Furnishings .....	490.1	461.3	-5.9
13. Jewelry .....	907.3	871.7	-3.9
14. Notions .....	806.5	793.1	-1.7
15. Toilet Articles and Drugs .....	979.8	972.5	-0.7
16. Furniture and Bedding .....	629.5	622.2	-1.2
17. Floor Coverings .....	627.3	600.6	-4.3
18. Housewares .....	762.5	738.6	-3.1
19. Major Appliances .....	226.5	221.6	-2.2
20. Radio and Television .....	52.3	47.5	-9.2
21. Recreation and Education <sup>2</sup> .....	88.4	84.6	-4.3
22. Home Improvements <sup>2</sup> .....	124.2	125.2	0.8
23. Auto Accessories <sup>2</sup> .....	110.4	111.7	1.2
Groups 1 – 15: Soft Goods .....	592.1	575.9	-2.7
Groups 16 – 20: Durable Goods .....	418.8	404.5	-3.4
Groups 21 – 23: Misc. Goods <sup>2</sup> .....	97.6	95.4	-2.3
Store Total <sup>3</sup> .....	528.0	513.0	-2.8

<sup>1</sup>Absence of a minus sign before the percentage change in this column signifies a price increase.

<sup>2</sup>Indexes on a January 1986=100 base.

<sup>3</sup>The store total index covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco, and contract departments.

**DRAFTING INFORMATION**

The principal author of this revenue ruling is Michael Burkom of the Office of Associate Chief Counsel (Income Tax and

Accounting). For further information regarding this revenue ruling, contact Mr. Burkom at (202) 622-7718 (not a toll-free call).

## Section 507.—Termination of Private Foundation Status

26 CFR 1.507-1, 1.507-2, 1.507-3, 1.507-4, 1.507-7; Special rules; Transfers to publicly supported organizations; Liability in case of transfers. (Also §§ 4940, 4941, 4942, 4943, 4944, 4945; 53.4940-1, 53.4941(a)-1, 53.4942(a)-3.)

**Transfers of assets.** This ruling describes the responsibilities of a private foundation relating to section 507 and chapter 42 (sections 4940-4945) of the Code when it transfers all of its assets to one or more public charities described in sections 509(a)(1), 509(a)(2), or 509(a)(3).

### Rev. Rul. 2003-13

#### ISSUES

If a private foundation distributes all of its net assets to one or more public charities described in § 509(a)(1), § 509(a)(2) or § 509(a)(3) of the Internal Revenue Code under the facts described below:

1. Has the private foundation terminated its foundation status and is the private foundation liable for tax under § 507(c)?

2. What are the consequences of the distribution under:

- (a) § 4940;
- (b) § 4941;
- (c) § 4942;
- (d) § 4943;
- (e) § 4944; and
- (f) § 4945?

#### FACTS

Each of the following situations assumes that: (i) the private foundation has not committed either willful repeated acts (or failures to act), or a willful and flagrant act (or failure to act), giving rise to liability for tax under chapter 42; (ii) the private foundation is not an operating foundation within the meaning of § 4942(j)(3); (iii) the transferee organizations are not controlled (directly or indirectly) by the private foundation or by one or more disqualified persons with respect to the private foundation; (iv) the private foundation has not previously terminated (or had terminated) its private foundation status; (v) the transferee organization is a public charity described in § 509(a)(1), § 509(a)(2), or § 509(a)(3) that retains its public charity

classification for at least three years following the date of the distribution; (vi) the private foundation does not impose any material restrictions as described in § 1.507-2(a)(8)(i) on the transferred assets, and (vii) the private foundation retains sufficient income or assets to pay any chapter 42 taxes, such as the tax imposed under § 4940 for the portion of the taxable year prior to the distribution, and pays such taxes when due.

*Situation 1.* *P* is recognized as exempt from federal income tax under § 501(c)(3) and is classified as a private foundation under § 509(a). Pursuant to a plan of dissolution, *P* distributes all its net assets to *X*.

*X* is recognized as exempt from federal income tax under § 501(c)(3) and is not a private foundation because *X* is described in § 509(a)(1) (*i.e.* an organization described in § 170(b)(1)(A) (other than clauses (vii) and (viii))). *X* has been in existence and so described for a continuous period of at least 60 calendar months immediately preceding the distribution. After *P* distributes all its net assets, *P* files articles of dissolution with the appropriate state authority.

*Situation 2.* The facts are the same as Situation 1, except that *X* has been in existence for fewer than 60 calendar months immediately preceding the distribution, and was not formed as a result of a consolidation of other organizations described in § 509(a)(1) that would have been in existence for a continuous period of 60 calendar months prior to the distribution had they continued in existence.

*Situation 3.* The facts are the same as Situation 1, except that *X* is an organization described in § 509(a)(2).

*Situation 4.* The facts are the same as Situation 1, except that *X* is an organization described in § 509(a)(3).

#### LAW

Section 507(a) provides that, except as provided in § 507(b), the status of any organization as a private foundation shall be terminated only if (1) such organization notifies the Secretary of its intent to accomplish such termination, or (2) with respect to such organization, there have been either willful repeated acts (or failures to act), or a willful and flagrant act (or failure to act), giving rise to a liability for tax under chapter 42, and the Secretary notifies such organization that it is liable for the tax imposed by § 507(c). Under § 507(a)(1) and (2), the organization's private foundation

status is terminated when the organization pays the tax imposed by § 507(c) or the entire amount of such tax is abated under § 507(g).

Section 507(b)(1)(A) provides that the private foundation status of any organization, with respect to which there have not been either willful repeated acts (or failures to act) or a willful and flagrant act (or failure to act) giving rise to a liability for tax under chapter 42, shall be terminated, if the private foundation distributes all its net assets to one or more organizations described in § 170(b)(1)(A) (other than clauses (vii) and (viii)) each of which has been in existence and so described for a continuous period of at least 60 calendar months immediately preceding such distribution.

Section 507(c) imposes a tax on each organization whose private foundation status is voluntarily or involuntarily terminated under § 507(a). The tax imposed is the lower of (1) the amount that the private foundation substantiates by adequate records or other corroborating evidence as the aggregate tax benefit resulting from the § 501(c)(3) status of such foundation, or (2) the value of the net assets of the foundation.

Section 1.507-1(b)(1) provides that in order to terminate its private foundation status under § 507(a)(1), an organization must submit a statement to the Manager, Exempt Organizations Determinations, Tax Exempt and Government Entities Division (TE/GE), of its intent to terminate its private foundation status under § 507(a)(1). Such statement must set forth in detail the computation and amount of tax imposed under § 507(c). Unless the organization requests abatement of such tax pursuant to § 507(g), full payment of such tax must be made at the time the statement is filed under § 507(a)(1). An organization may request the abatement of all of the tax imposed under § 507(c), or may pay any part thereof and request abatement of the unpaid portion of the amount of tax assessed. If the organization requests abatement of the tax imposed under § 507(c) and such request is denied, the organization must pay such tax in full upon notification by the Service that such tax will not be abated.

Section 1.507-1(b)(7) provides that a transfer of all the assets of a private foundation does not result in a termination of the transferor private foundation under § 507(a), unless the transferor private foun-

dation elects to terminate pursuant to § 507(a)(1), or § 507(a)(2) is applicable.

Section 1.507-2(a)(1) provides that under § 507(b)(1)(A), a private foundation, may terminate its private foundation status by distributing all its net assets to one or more organizations described in § 170(b)(1)(A) (other than clauses (vii) and (viii)) each of which has been in existence and so described for a continuous period of at least 60 calendar months immediately preceding such distribution. As § 507(a) does not apply to such a termination, a private foundation that makes such a termination is not required to give the notification described in § 507(a)(1). A private foundation that terminates its private foundation status under § 507(b)(1)(A) does not incur tax under § 507(c) and, therefore, no abatement of such tax under § 507(g) is required.

Section 1.507-2(a)(4) provides that an organization that terminates its private foundation status pursuant to § 507(b)(1)(A) will remain subject to the provisions of chapter 42 until it distributes all its net assets to distributee organizations described in § 507(b)(1)(A).

Section 1.507-2(a)(7) provides that a private foundation will meet the requirement that it “distribute all of its net assets” within the meaning of § 507(b)(1)(A) only if it transfers all its right, title, and interest in and to all its net assets to one or more organizations referred to in § 507(b)(1)(A).

Section 1.507-2(a)(8)(i) provides, in part, that to effectuate a transfer of “all of its right, title, and interest in and to all of net assets,” a transferor private foundation may not impose any material restriction or condition that prevents the transferee organization from freely and effectively employing the transferred assets, or the income derived therefrom, in furtherance of its exempt purposes.

Section 1.507-3(e) provides that if a private foundation transfers all or part of its assets to one or more organizations described in § 509(a)(1), (2), or (3) and, within a period of 3 years from the date of such transfers, one or more of the transferee organizations lose their § 509(a)(1), (2), or (3) status and become private foundations, then the transfer will be treated as a transfer described in § 507(b)(2) and the provisions of § 1.507-3(a) shall be treated as applying to such transferee from the date any such transfer was made to it.

Section 1.507-4(b) provides that private foundations that make transfers described in § 507(b)(1)(A) or (2) are not subject to the tax imposed under § 507(c) with respect to such transfers unless the provisions of § 507(a) become applicable.

Section 1.507-7(a) provides that the value of net assets for purposes of § 507(c) shall be determined at whichever time such value is higher: (1) the first day action is taken by the organization that culminates in its ceasing to be a private foundation, or (2) the date it ceases to be a private foundation.

Section 1.507-7(b)(1) provides that in the case of a termination under § 507(a)(1), the date of action referred to in § 1.507-7(a)(1) shall be the date the terminating foundation gives the notification described in § 507(a)(1).

Section 4940(a) generally imposes an excise tax on a private foundation’s net investment income for the taxable year.

Section 4940(c)(1) defines net investment income as the amount by which the sum of the gross investment income and the capital gain net income exceeds the deductions allowed under 4940(c)(3).

Section 53.4940-1(f)(1) provides that a distribution of property for purposes described in § 170(c)(1) or (2)(B) that is a qualifying distribution under § 4942 shall not be treated as a sale or disposition of property.

Section 4941(a)(1) imposes a tax on each act of self-dealing between a disqualified person and a private foundation. Section 53.4946-1(a)(8) provides that, for purposes of § 4941, the term “disqualified person” shall not include any organization described in § 501(c)(3) (other than an organization described in § 509(a)(4)).

Section 4942(a) generally imposes a tax on the undistributed income of a private foundation (other than an operating foundation under § 4942(j)(3)) for any taxable year, that has not been distributed before the first day of the second (or any succeeding) taxable year following such taxable year.

Section 4942(c) defines “undistributed income” for any taxable year as the amount by which the distributable amount for such taxable year exceeds the qualifying distributions made out of such distributable amount for such taxable year.

Section 4942(d) defines “distributable amount” as the amount equal to the sum of

the minimum investment return, plus certain other amounts, reduced by the sum of the taxes imposed on such private foundation for the taxable year under subtitle A and § 4940.

Section 4942(g)(1)(A) defines “qualifying distribution” as any amount (including that portion of reasonable and necessary administrative expenses) paid to accomplish one or more purposes described in § 170(c)(2)(B) other than a contribution to (i) an organization controlled directly or indirectly by the foundation or by one or more disqualified persons with respect to the foundation, unless certain requirements are satisfied, or (ii) any private foundation that is not an operating foundation under § 4942(j)(3), unless certain requirements are satisfied.

Section 53.4942(a)-3(a)(3) provides, in part, that control of a donee organization is determined without regard to any conditions imposed upon the donee as part of the distribution or any other restrictions accompanying the distribution as to the manner the distribution is to be used, unless such conditions or restrictions are described in § 1.507-2(a)(8).

Section 4943(a)(1) imposes a tax on the “excess business holdings” (as defined in § 4943(c)) of any private foundation in a business enterprise.

Section 4944(a)(1) imposes a tax on any amount invested by a private foundation in a manner that jeopardizes the carrying out of any of the foundation’s exempt purposes.

Section 4945 imposes a tax on any “taxable expenditure” (as defined in § 4945(d)) made by a private foundation.

Section 4945(d)(4)(A) states that the term “taxable expenditure” includes any amount paid or incurred by a private foundation as a grant to an organization unless the organization is described in paragraph (1), (2), or (3) of § 509(a) or is an exempt operating foundation (as defined in § 4940(d)(2)).

Section 4945(h) provides that the expenditure responsibility referred to in § 4945(d)(4) means a private foundation is responsible to exert all reasonable efforts and to establish adequate procedures to (1) see that the grant is spent solely for the purpose for which made, (2) obtain full and complete reports from the grantee on how the funds are spent, and (3) make full and detailed reports with respect to such expenditures to the Secretary.



Section 4946 provides that the term ‘disqualified person’ includes a substantial contributor to a private foundation.

In Rev. Rul. 75–289, 1975–2 C.B. 215, a private foundation defined in § 509 distributed all its net assets to an organization, described in § 170(b)(1)(A)(vi), that had been in existence for only 20 months. The organization was formed as a result of a consolidation of two organizations each of which would have been an organization described in § 170(b)(1)(A)(vi) and in existence for a continuous period of 60 calendar months before the distribution had they continued in existence. The ruling held that the private foundation had terminated its private foundation status under § 507(b)(1)(A).

## ANALYSIS

### SECTION 507

Under § 507(b)(1)(A), an organization’s status as a private foundation is terminated if the organization distributes all its net assets to one or more organizations described in § 509(a)(1) (i.e., organizations described in § 170(b)(1)(A) (other than in clauses (vii) and (viii))) each of which has been in existence and so described for a continuous period of at least 60 calendar months immediately preceding the distribution. An organization that terminates its private foundation status under § 507(b)(1)(A) is not required to give notice under § 507(a)(1) and is not subject to the tax described in § 507(c). See § 1.507–2(a)(1).

If a private foundation distributes all its net assets to one or more public charities, at least one of which is described in § 509(a)(1) and has been so described for fewer than 60 calendar months immediately preceding the distribution or is described in §§ 509(a)(2) or (3), then the rules of § 507(b)(1)(A) do not apply. In this case, the distributions do not cause the private foundation to terminate its private foundation status. See § 1.507–1(b)(7). The private foundation may choose to terminate its private foundation status by submitting a statement of its intent to terminate its private foundation status under § 507(a)(1) to the Manager, Exempt Organizations Determinations, Tax Exempt and Government Entities Division (TE/GE). See § 1.507–1(b)(1). Such statement must set

forth in detail the computation and amount of tax imposed under § 507(c). See § 1.507–1(b)(1). If the private foundation has no net assets on the day it provides notice (e.g., it provides notice at least one day after it distributes all its net assets), the tax imposed by § 507(c) will be zero. See § 507(a)(1) and § 507(c); and §§ 1.507–7(a) and (b). A submission of a Form 990–PF marked “Final” does not constitute notice of termination of private foundation status under § 507(a)(1). See § 1.507–1(b)(1).

In Situation 1, *P* transfers all its net assets to *X*, which is described in § 509(a)(1) and has been so described for a continuous period of at least 60 calendar months immediately preceding the distribution. Accordingly, the distribution is subject to the rules of § 507(b)(1)(A), rather than the rules of § 507(a)(1). See § 507(b)(1)(A) and § 1.507–2(a)(1).

Because the distribution is described in § 507(b)(1)(A), *P*’s status as a private foundation is terminated upon the distribution and *P* is not subject to the tax described in § 507(c). See § 1.507–2(a)(1) and § 1.507–4(b). *P* is not required to give notice under § 507(a)(1) to terminate its private foundation status.

In Situation 2, *X* is an organization described in § 509(a)(1) that has been in existence and so described for fewer than 60 calendar months immediately preceding the distribution. In Situation 3, *X* is an organization described in § 509(a)(2). In Situation 4, *X* is an organization described in § 509(a)(3). Accordingly, the distributions in Situations 2, 3, and 4 are not subject to the rules of § 507(b)(1)(A). See § 507(b)(1)(A) and § 1.507–2(a)(1).

Because the distributions in Situations 2, 3, and 4 are not described in § 507(b)(1)(A), *P*’s status as a private foundation is not terminated unless it gives notice under § 507(a)(1). See § 1.507–1(b)(1) and § 1.507–1(b)(7). If *P* does not provide notice and does not terminate, *P* is not subject to the tax under § 507(c).

If *P* chooses to provide notice, and therefore terminates, it is subject to the tax under § 507(c) on the date it provides notice; however, if *P* has no net assets on the day it provides notice (e.g., it provides notice at least one day after it distributes all its net assets), the tax imposed by § 507(c) will be

zero. See § 507(a)(1) and § 507(c); and §§ 1.507–7(a) and (b).

### SECTION 4940

In Situations 1, 2, 3, and 4, the distributions do not constitute an investment of *P* for purposes of § 4940; therefore the distributions do not give rise to net investment income under § 4940(a). See § 53.4940–1(f)(1).

### SECTION 4941

In Situations 1, 2, 3, and 4, the distributions are to § 501(c)(3) organizations, which are not treated as disqualified persons for purposes of § 4941. See § 53.4946–1(a)(8). Thus, the distributions do not constitute self-dealing transactions and are not subject to tax under § 4941(a)(1).

### SECTION 4942

In Situations 1, 2, 3, and 4, the distributions are paid to accomplish one or more purposes described in § 170(c)(2)(B) and are not made to organizations controlled directly or indirectly by *P* or by one or more disqualified persons with respect to *P*. Thus, the distributions are qualifying distributions for purposes of § 4942(g)(1)(A).

### SECTION 4943

In Situations 1, 2, 3, and 4, the distributions do not cause *P* to have excess business holdings subject to tax under § 4943(a).

### SECTION 4944

In Situations 1, 2, 3, and 4, the distributions do not constitute investments for purposes of § 4944 and therefore are not jeopardizing investments subject to tax under § 4944(a)(1).

### SECTION 4945

In Situations 1, 2, 3, and 4, the distributions are to organizations described in §§ 509(a)(1), (2), or (3). Therefore, the distributions are not taxable expenditures under § 4945. See § 4945(d)(4)(A). *P* will not be required to exercise expenditure responsibility with respect to the distributions under § 4945(d)(4) or (h).

## HOLDINGS

Under the facts of the ruling:

1. A private foundation that distributes all its net assets to one or more organizations described in § 509(a)(1) (*i.e.*, organizations described in § 170(b)(1)(A) (other than in clauses (vii) and (viii))) each of which has been in existence and so described for a continuous period of at least 60 calendar months immediately preceding the distribution terminates its private foundation status under § 507(b)(1)(A). The private foundation is not required to file a notice of termination under § 507(a)(1) and is not liable for tax under § 507(c).

A private foundation that distributes all its net assets to one or more public charities, at least one of which is described in § 509(a)(1) and has been so described for fewer than 60 calendar months immediately preceding the distribution or is described in §§ 509(a)(2) or (3), does not terminate its private foundation status unless it gives notice under § 507(a)(1). If the private foundation does not provide notice and does not terminate, the private foundation is not subject to tax under § 507(c). If the private foundation chooses to provide notice, and therefore terminates, it is subject to the tax under § 507(c) on the date notice is given; however, if the private foundation has no net assets on the day it provides notice (*e.g.*, it provides notice at least one day after it distributes all its net assets), the tax imposed by § 507(c) will be zero.

If the private foundation elects to terminate its private foundation status under § 507(a)(1), it must submit a statement to the Manager, Exempt Organizations Determinations, Tax Exempt and Government Entities Division (TE/GE), of its intent to terminate its private foundation status under § 507(a)(1). Such statement must set forth in detail the computation and amount of tax imposed under § 507(c). The submission of a Form 990-PF marked "Final" does not constitute notice of termination of private foundation status under § 507(a)(1).

2. (a) The distribution does not give rise to net investment income and is not subject to tax under § 4940(a).

(b) The distribution does not constitute a self-dealing transaction and is not subject to tax under § 4941(a)(1).

(c) The distribution constitutes a qualifying distribution for the transferor private foundation under § 4942.

(d) The distribution does not result in excess business holdings and is not subject to tax under § 4943(a).

(e) The distribution does not constitute an investment jeopardizing the transferor private foundation's exempt purposes and is not subject to tax under § 4944(a)(1).

(f) The distribution is not a taxable expenditure described in § 4945.

#### DRAFTING INFORMATION

The principal author of this revenue ruling is Theodore R. Lieber of the Exempt Organizations, Tax Exempt and Government Entities Division. For further information regarding this revenue ruling, contact Theodore R. Lieber at (202) 283-8999 (not a toll-free call).

### Section 671.—Trust Income, Deductions, and Credits Attributable to Grantors and Others as Substantial Owners

*26 CFR 1.671-1: Grantors and others treated as substantial owners; scope*

The Internal Revenue Service will treat an Indian tribe as the grantor and owner of a trust for the receipt of gaming revenues under the Indian Gaming Regulatory Act (25 U.S.C. sections 2701-2721) (IGRA) for the benefit of minors or legal incompetents if the trust conforms to the procedures of this revenue procedure. See Rev. Proc. 2003-14, page 319.

### Section 1234B.—Gains or Losses From Securities Futures Contracts

Until further notice, the Internal Revenue Service will not require information reporting under section 6045 with respect to securities futures contracts. See Notice 2003-8, page 310.

### Section 1256.—Section 1256 Contracts Marked to Market

Until further notice, the Internal Revenue Service will not require information reporting under section 6045 with respect to securities futures contracts. See Notice 2003-8, page 310.

### Section 4940.—Excise Tax Based on Investment Income

Responsibilities of a private foundation relating to section 507 and chapter 42 (sections 4940-4945) when it transfers all of its assets to one or more organizations described in section 509(a). See Rev. Rul. 2003-13, page 305.

### Section 4941.—Taxes on Self-Dealing

Responsibilities of a private foundation relating to section 507 and chapter 42 (sections 4940-4945) when it transfers all of its assets to one or more organizations described in section 509(a). See Rev. Rul. 2003-13, page 305.

### Section 4942.—Taxes on Failure to Distribute Income

Responsibilities of a private foundation relating to section 507 and chapter 42 (sections 4940-4945) when it transfers all of its assets to one or more organizations described in section 509(a). See Rev. Rul. 2003-13, page 305.

### Section 4943.—Taxes on Excess Business Holdings

Responsibilities of a private foundation relating to section 507 and chapter 42 (sections 4940-4945) when it transfers all of its assets to one or more organizations described in section 509(a). See Rev. Rul. 2003-13, page 305.

### Section 4944.—Taxes on Investments Which Jeopardize Charitable Purpose

Responsibilities of a private foundation relating to section 507 and chapter 42 (sections 4940-4945) when it transfers all of its assets to one or more organizations described in section 509(a). See Rev. Rul. 2003-13, page 305.

### Section 4945.—Taxes on Taxable Expenditures

Responsibilities of a private foundation relating to section 507 and chapter 42 (sections 4940-4945) when it transfers all of its assets to one or more organizations described in section 509(a). See Rev. Rul. 2003-13, page 305.

## **Section 6045.—Returns of Brokers**

*26 CFR 1.6045-1: Returns of information of brokers and barter exchanges.*

Until further notice, the Internal Revenue Service will not require information reporting under section 6045 with respect to securities futures contracts. See Notice 2003-8, page 310.

## Part III. Administrative, Procedural, and Miscellaneous

### Weighted Average Interest Rate Update

#### Notice 2003-7

Sections 412(b)(5)(B) and 412(l)(7)(C)(i) of the Internal Revenue Code provide that the interest rates used to calculate current liability for purposes of determining the full funding limitation under § 412(c)(7) and the required contribution under § 412(l) must be within a permissible range around the weighted average of the rates of interest on 30-year Treasury securities during the four-year period ending on the last day before the beginning of the plan year.

Notice 88-73, 1988-2 C.B. 383, provides guidelines for determining the weighted average interest rate and the resulting permissible range of interest rates

used to calculate current liability for the purpose of the full funding limitation of § 412(c)(7) of the Code.

Section 417(e)(3)(A)(ii)(II) of the Code defines the applicable interest rate, which must be used for purposes of determining the minimum present value of a participant's benefit under § 417(e)(1) and (2), as the annual rate of interest on 30-year Treasury securities for the month before the date of distribution or such other time as the Secretary may by regulations prescribe. Section 1.417(e)-1(d)(3) of the Income Tax Regulations provides that the applicable interest rate for a month is the annual interest rate on 30-year Treasury securities as specified by the Commissioner for that month in revenue rulings, notices or other guidance published in the Internal Revenue Bulletin.

The rate of interest on 30-year Treasury Securities for December 2002 is 4.92 percent. Pursuant to Notice 2002-26, 2002-15 I.R.B. 743, the Service has determined this rate as the monthly average of the daily determination of yield on the 30-year Treasury bond maturing in February 2031.

Section 405 of the Job Creation and Worker Assistance Act of 2002 amended § 412(l)(7)(C) of the Code to provide that for plan years beginning in 2002 and 2003 the permissible range is extended to 120 percent.

The following rates were determined for the plan years beginning in the month shown below.

Month	Year	Weighted Average	90% to 110% Permissible Range	90% to 120% Permissible Range
January	2003	5.54	4.98 to 6.09	4.98 to 6.65

#### Drafting information

The principal author of this notice is Todd Newman of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this notice, please contact the Employee Plans' taxpayer assistance telephone service at 1-877-829-5500 (a toll-free number), between the hours of 8:00 a.m. and 6:30 p.m. Eastern time, Monday through Friday. Mr. Newman may be reached at 1-202-283-9888 (not a toll-free number).

### Information Reporting for Securities Futures Contracts

#### Notice 2003-8

Until further notice, the Internal Revenue Service will not require information reporting under Code section 6045 with respect to securities futures contracts.

#### Background

The Commodity Futures Modernization Act of 2000 (the "Act") authorized trading in securities futures contracts ("SFCs"). The Securities Exchange Act of 1934, as amended by the Act, defines a SFC generally as a contract of sale for future delivery of a single security or a narrow-based security index. See 15 U.S.C. § 78c(a)(55)(A) (2000).

Section 6045(a) of the Internal Revenue Code provides that brokers, when required by the Secretary, must make a return, in accordance with such regulations as the Secretary may prescribe, regarding each of the broker's customers, with such details regarding gross proceeds and other information as the Secretary may by forms or regulations require.

#### Deferral of Potential Information Reporting Obligations

The Service will issue published guidance identifying the circumstances, if any, in which brokers must file information returns under section 6045 regarding SFC in-

vestments or transactions of the brokers' customers. Depending on the conclusions reached, this guidance may take the form of regulations, of a notice published in the *Federal Register*, or of a publication in the *Internal Revenue Bulletin*. Pending this guidance, the Service will not require information reporting under section 6045 with respect to SFCs. Thus, to the extent current law can be interpreted as requiring brokers to prepare information returns under section 6045 with respect to SFCs, no such returns will be required pending issuance of the guidance described above. This Notice 2003-8 does not affect information-reporting obligations, if any, with respect to SFCs under any other Code section.

For further information regarding this notice, contact Nathan Rosen of the Office of the Associate Chief Counsel (Procedure & Administration), Administrative Provisions and Judicial Practice Division, at (202) 622-4910 (not a toll-free call).



# Offshore Voluntary Compliance Initiative

## Rev. Proc. 2003-11

### SECTION 1. PURPOSE

.01 This revenue procedure describes the Internal Revenue Service's Offshore Voluntary Compliance Initiative for taxpayers that have underreported their United States income tax liability through financial arrangements that in any manner rely on the use of offshore payment cards (including credit, debit, or charge cards) issued by banks in foreign jurisdictions or offshore financial arrangements (including arrangements with foreign banks, financial institutions, corporations, partnerships, trusts, or other entities). This revenue procedure applies to tax years ending after December 31, 1998, and to tax years ending before that date to the extent provided in section 8 of this revenue procedure.

.02 The Service has determined that some taxpayers have used offshore payment cards or offshore financial arrangements to avoid United States income taxes. The Offshore Voluntary Compliance Initiative described in this revenue procedure affords taxpayers that have used these devices an opportunity to avoid certain penalties that would otherwise apply.

### SECTION 2. SCOPE OF THE OFFSHORE VOLUNTARY COMPLIANCE INITIATIVE

.01 With respect to unreported income or false deductions associated with the use of offshore payment cards or offshore financial arrangements, the Service:

(1) will not impose the civil fraud penalty under section 6663, the fraudulent failure to file penalty under section 6651(f), and information return civil penalties for failure to comply with sections 6035, 6038, 6038A, 6038B, 6038C, 6039F, 6046, 6046A, and 6048; and

(2) will, in appropriate circumstances, impose the delinquency penalty under section 6651, the accuracy-related penalty under section 6662, or both penalties against taxpayers that participate in the Offshore Voluntary Compliance Initiative.

.02 The Financial Crimes Enforcement Network (FinCEN) will not impose civil

penalties for failure to timely file a Report of Foreign Bank and Financial Accounts (FBAR) against eligible taxpayers that participate in the Offshore Voluntary Compliance Initiative. For more information, see FinCEN's website at [www.fincen.gov](http://www.fincen.gov) and look under Regulatory/BSA Guidance.

.03 The Service will treat the request to participate in the Offshore Voluntary Compliance Initiative as a request to make a voluntary disclosure pursuant to its Voluntary Disclosure Practice as described in IR-2002-135, Dec. 11, 2002. See also Treasury Directive 15-41, dated December 1, 1992 (delegating to the Service the authority to investigate the criminal FBAR penalty).

.04 Any contact or communication by the Service with a taxpayer regarding the taxpayer's request to participate in the Offshore Voluntary Compliance Initiative is not an examination of books and records for purposes of section 7605(b) or Rev. Proc. 94-68, 1994-2 C.B. 803. The Service may audit the returns of any taxpayer that participates in the Offshore Voluntary Compliance Initiative, and may propose adjustments for items that are not resolved under the Offshore Voluntary Compliance Initiative.

### SECTION 3. APPLICATION PROCESS

.01 Taxpayers that want to participate in the Offshore Voluntary Compliance Initiative must, on or before April 15, 2003, send a written request to participate in the Offshore Voluntary Compliance Initiative to the National Offshore Voluntary Compliance Initiative Coordinator. Taxpayers may send the written request via the United States Postal Service to P.O. Box 480, Bensalem, PA 19020; by private delivery service to 11601 Roosevelt Blvd., Philadelphia, PA 19154, Attn.: DP S6005; or by email to [VCI@irs.gov](mailto:VCI@irs.gov). The written request must:

(1) state that the taxpayer requests to participate in the Offshore Voluntary Compliance Initiative and is a taxpayer eligible to participate in the program, as described in section 4 of this revenue procedure;

(2) state the taxpayer's name, taxpayer identification number, current address, and daytime telephone number;

(3) state the name and employer identification number of any entity (including but not limited to corporations, partner-

ships, trusts, and estates) that the taxpayer caused to use offshore payment cards or offshore financial arrangements, or that was the source of funds that the taxpayer caused to be transferred to a foreign jurisdiction;

(4) state the name and office location of any Service official whom the taxpayer has previously contacted about making a voluntary disclosure; and

(5) include complete information regarding the taxpayer's introduction to offshore payment cards and offshore financial arrangements, including the following:

(a) the names, addresses, and telephone numbers of any parties who promoted or solicited the taxpayer's use of offshore payment cards or offshore financial arrangements;

(b) if known to the taxpayer, the names, addresses, and telephone numbers of any parties who advised or assisted the promoters or solicitors in marketing offshore payment cards or offshore financial arrangements; and

(c) all promotional materials, transactional materials, and other related correspondence and documentation that the taxpayer at any time received regarding offshore payment cards or offshore financial arrangements. Taxpayers that send a written request to participate in the Offshore Voluntary Compliance Initiative by email to [VCI@irs.gov](mailto:VCI@irs.gov) must send these materials by mail or private delivery service (to the addresses provided in subsection .01 above) within five days of the email. These taxpayers should include with the materials a copy of the email sent to [VCI@irs.gov](mailto:VCI@irs.gov).

### SECTION 4. TAXPAYERS THAT ARE ELIGIBLE TO PARTICIPATE IN THE OFFSHORE VOLUNTARY COMPLIANCE INITIATIVE

.01 A taxpayer that has used offshore payment cards or offshore financial arrangements is eligible to participate in the Offshore Voluntary Compliance Initiative if the taxpayer meets the following conditions:

(1) the taxpayer's written request to participate in the Offshore Voluntary Compliance Initiative is received *before*:

(a) the Service has initiated a civil examination or criminal investigation of the taxpayer, or has notified the taxpayer that it intends to commence such an examination or investigation;

(b) the Service has received information from a third party (e.g., informant, other governmental agency, or the media) alerting the Service to the specific taxpayer's noncompliance;

(c) the Service has initiated a civil examination or criminal investigation that is directly related to the specific liability of the taxpayer; or

(d) the Service has acquired information directly related to the specific liability of the taxpayer from a criminal enforcement action (e.g., search warrant, grand jury subpoena);

(2) the taxpayer has not promoted, solicited, or, in any way, facilitated the participation of others (other than members of the taxpayer's immediate family, or of individuals from whom the taxpayer did not receive compensation of more than a nominal amount) in arrangements to avoid taxation by using offshore payment cards, offshore financial arrangements, or any other abusive transaction, domestic or offshore, such as arrangements based on arguments refuted by the Service in *The Truth About Frivolous Tax Arguments* found at [www.irs.gov/pub/irs-utl/friv\\_tax.pdf](http://www.irs.gov/pub/irs-utl/friv_tax.pdf);

(3) during the years in which the taxpayer seeks to participate in the Offshore Voluntary Compliance Initiative, the taxpayer has not derived income from illegal sources, such as income from drug trafficking; and

(4) during the years in which the taxpayer seeks to participate in the Offshore Voluntary Compliance Initiative, the taxpayer has not used the offshore payment cards or offshore financial arrangements to support or, in any way, facilitate illegal activities not related to taxes.

#### SECTION 5. ACKNOWLEDGMENT OF THE TAXPAYER'S REQUEST TO PARTICIPATE IN THE OFFSHORE VOLUNTARY COMPLIANCE INITIATIVE

.01 The Service will acknowledge receipt of the taxpayer's written request to participate in the Offshore Voluntary Compliance Initiative within 30 calendar days of receipt of the request. In its acknowledgment, the Service will advise whether the taxpayer has been preliminarily determined to be eligible to participate in the Offshore Voluntary Compliance Initiative or has been determined to be ineligible to participate in the Offshore Voluntary Com-

pliance Initiative. A preliminary determination of eligibility will not prevent the Service from later determining that the taxpayer is not eligible to participate in the Offshore Voluntary Compliance Initiative due to a failure to comply with the conditions of section 4.01(2), (3), or (4), section 6, or section 7 of this revenue procedure.

#### SECTION 6. ADDITIONAL REQUIREMENTS THAT A TAXPAYER MUST SATISFY AFTER THE SERVICE PRELIMINARILY DETERMINES THAT THE TAXPAYER IS ELIGIBLE TO PARTICIPATE IN THE OFFSHORE VOLUNTARY COMPLIANCE INITIATIVE

.01 Within 150 calendar days of the date of the letter informing the taxpayer that the Service has preliminarily determined that the taxpayer is eligible to participate in the Offshore Voluntary Compliance Initiative, the taxpayer must send the following material to the National Offshore Voluntary Compliance Initiative Coordinator, via the United States Postal Service to P.O. Box 480, Bensalem, PA 19020, or by private delivery service to 11601 Roosevelt Blvd., Philadelphia, PA 19154, Attn.: DP S6005:

(1) copies of original and amended federal income tax returns for tax periods ending after December 31, 1998, that the taxpayer previously filed;

(2) copies of any powers of attorney (Forms 2848) granted by the taxpayer with respect to tax years in which the taxpayer requests to participate in the Offshore Voluntary Compliance Initiative;

(3) descriptions of offshore payment cards and foreign and domestic accounts of any kind (including the name and address of the bank or financial institution, the account number, and the date the account was opened), and descriptions of foreign assets in which the taxpayer has or had any ownership or beneficial interest or that are or were controlled by the taxpayer (i.e., the taxpayer has or had the practical ability to direct or influence the financial transactions or affairs of an account or entity, or the use or disposition of an asset, whether this ability was exercised directly or indirectly through a nominee, agent, power of attorney, letter of directions, letter of wishes, or any other device whatsoever) at any time after December 31, 1998;

(4) descriptions of entities of any kind (including but not limited to corporations,

partnerships, trusts, and estates) and any nominees through which the taxpayer exercised control over foreign funds, assets, or investments at any time after December 31, 1998;

(5) descriptions of the source of any foreign funds, assets, or investments owned or controlled by the taxpayer at any time after December 31, 1998;

(6) all promotional materials, transactional materials, and other related correspondence and documentation regarding offshore payment cards or offshore financial arrangements received subsequent to the date the taxpayer submits the request to participate in the Offshore Voluntary Compliance Initiative;

(7) complete and accurate amended or delinquent original federal income tax returns of the taxpayer for all tax years ending after December 31, 1998, which are supported by an explanation of previously unreported income or incorrectly claimed deductions or credits (whether or not related to offshore payment cards or offshore financial arrangements);

(8) complete and accurate amended or delinquent original information returns required by sections 6035, 6038, 6038A, 6038B, 6038C, 6039F, 6046, 6046A, and 6048 for which the taxpayer requests relief from penalties; and

(9) complete and accurate FBARs for tax years ending after December 31, 1998. (FBAR forms are available by contacting FinCEN at 800-949-2732 and on FinCEN's website, [www.fincen.gov](http://www.fincen.gov).)

.02 Upon the Service's request, and within the period of time allowed by the Service in its request, the taxpayer must provide documentation of the matters described in section 6.01 paragraphs (3) through (5) of this revenue procedure, and information regarding all transactions conducted through the foreign accounts and entities.

.03 Upon the Service's request, and within the period of time allowed by the Service in its request, the taxpayer must provide executed consents or special consents to extend the time to assess tax for years that the taxpayer requests to participate in the Offshore Voluntary Compliance Initiative.

.04 At the time the taxpayer files the required amended or delinquent original returns, the taxpayer must fully pay the tax liabilities, including applicable penalties under sections 6651 and 6662, and interest,

or make other financial arrangements acceptable to the Service for all years covered by the Offshore Voluntary Compliance Initiative. In addition, the taxpayer must fully pay all other unpaid, previously assessed liabilities, or make other financial arrangements acceptable to the Service. For purposes of this revenue procedure, other financial arrangements acceptable to the Service shall include the completion and submission of complete financial statements to the National Offshore Voluntary Compliance Initiative Coordinator at the time amended or delinquent returns are filed in compliance with section 6.01 of this revenue procedure. A complete financial statement shall include all assets, domestic and foreign, in which the taxpayer has an ownership or beneficial interest or over which the taxpayer has control, whether directly or indirectly, through a nominee, agent, power of attorney, letter of directions, letter of wishes, or any other device.

#### SECTION 7. FINAL DETERMINATION THAT A TAXPAYER IS ELIGIBLE TO PARTICIPATE IN THE OFFSHORE VOLUNTARY COMPLIANCE INITIATIVE

.01 After an eligible taxpayer meets the requirements of sections 3 and 6 of this revenue procedure, the taxpayer must execute a specific matters closing agreement in the form appended to this revenue procedure as Exhibit 1. In the closing agreement, the taxpayer must waive all defenses to the assessment and collection of tax, penalties, and interest under the Offshore Voluntary Compliance Initiative, including any defenses based on the expiration of the period of limitations on assessment or collection. The taxpayer must also agree that the failure to disclose information that would make the taxpayer ineligible to participate in the Offshore Voluntary Compliance Initiative, or the failure to fully and accurately provide the information required by sections 3 and 6 of this revenue procedure, constitutes a misrepresentation of a material fact under section 7121.

.02 Execution of the closing agreement by the Commissioner constitutes a final determination under section 7121 that the tax-

payer is eligible to participate in the Offshore Voluntary Compliance Initiative.

#### SECTION 8. TREATMENT OF TAX YEARS ENDING PRIOR TO JANUARY 1, 1999

.01 For cases resolved under the Offshore Voluntary Compliance Initiative, the Service does not intend to solicit or secure information concerning an eligible participating taxpayer's federal income tax liabilities for tax years ending prior to January 1, 1999. Eligible participating taxpayers, however, must provide information about all aspects of the taxpayer's involvement with offshore payment cards or offshore financial arrangements, regardless of the year in which such activities began.

.02 If it comes to the Service's attention that substantial tax avoidance occurred in tax years ending prior to January 1, 1999, the Service reserves the right to examine such prior tax years and to assess tax, penalties, and interest, if the period of limitations on assessment and collection for those years is open. If any eligible participating taxpayer files complete and accurate amended or delinquent original returns for tax years ending prior to January 1, 1999, which are supported by an explanation of previously unreported income or incorrectly claimed deductions or credits (whether or not related to offshore payment cards or offshore financial arrangements), the Service will resolve the taxpayer's liability for those years for tax, penalties, and interest on the same basis that the Service will resolve liabilities for tax years ending after December 31, 1998, under the Offshore Voluntary Compliance Initiative.

#### SECTION 9. EFFECTIVE DATE

.01 This revenue procedure is effective on January 14, 2003.

#### SECTION 10. PAPERWORK REDUCTION ACT

.01 The collection of information contained in this revenue procedure has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. § 3507) under control number 1545-1822. 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.

.02 The collection of information in this revenue procedure is in Section 3 (APPLICATION PROCESS), Section 6 (ADDITIONAL REQUIREMENTS THAT A TAXPAYER MUST SATISFY AFTER THE SERVICE PRELIMINARILY DETERMINES THAT THE TAXPAYER IS ELIGIBLE TO PARTICIPATE IN THE OFFSHORE VOLUNTARY COMPLIANCE INITIATIVE), Section 7 (FINAL DETERMINATION THAT A TAXPAYER IS ELIGIBLE TO PARTICIPATE IN THE OFFSHORE VOLUNTARY COMPLIANCE INITIATIVE), and Section 8 (TREATMENT OF TAX YEARS ENDING PRIOR TO JANUARY 1, 1999). This information will be used to determine whether a taxpayer is eligible for the Offshore Voluntary Compliance Initiative and to apply the terms of the initiative. This information will also further the Service's understanding of how offshore payment cards and offshore financial arrangements have been promoted and solicited. Collection of the information described in this revenue procedure is required to obtain the benefits of the Offshore Voluntary Compliance Initiative. The likely respondents are individuals, corporations, partnerships, trusts, and other entities.

.03 The estimated total annual reporting burden is uncertain but estimated to be at least 100,000 hours. The estimated annual burden per respondent varies from 25 hours to 75 hours, depending on individual circumstances, with an estimated average of 50 hours. The number of respondents is uncertain but estimated to be in the thousands. The estimated frequency of responses is at least one per respondent.

.04 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 26 U.S.C. § 6103.

#### SECTION 11. CONTACT INFORMATION

.01 The principal author of this revenue procedure is Stuart Spielman of the



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**EXHIBIT 1**

Department of the Treasury—Internal Revenue Service

**Closing Agreement On Final Determination  
Covering Specific Matters**

Under section 7121 of the Internal Revenue Code:

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(Taxpayer's name)

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(Taxpayer's address and identifying number)

WHEREAS, Taxpayer has underreported federal income taxes for [specify tax years] through financial arrangements that in some manner rely on the use of offshore payment cards (including credit, debit, or charge cards) issued by banks in foreign jurisdictions or offshore financial arrangements (including arrangements with foreign banks, financial institutions, corporations, partnerships, trusts, or other entities);

WHEREAS, Taxpayer has requested to participate in the Offshore Voluntary Compliance Initiative, which is described in Revenue Procedure 2003-11; and

WHEREAS, Taxpayer has agreed to all the terms and conditions of the Offshore Voluntary Compliance Initiative.

NOW IT IS HEREBY DETERMINED AND AGREED FOR FEDERAL TAX PURPOSES THAT:

1. For [Year 1], Taxpayer used offshore payment cards or offshore financial arrangements to avoid reporting income in the amount of [specify amount] and to claim false deductions in the amount of [specify amount]. **[Insert only if applicable:** For Year 1, Taxpayer had additional unreported income in the amount of [specify amount] and false deductions in the amount of [specify amount.]] For [Year 2], Taxpayer used offshore payment cards or offshore financial arrangements to avoid reporting income in the amount of [specify amount] and to claim false deductions in the amount of [specify amount]. **[Insert only if applicable:** For Year 2, Taxpayer had additional unreported income in the amount of [specify amount] and false deductions in the amount of [specify amount]] [Continue in this manner for all tax years.]

2. For [Year 1], penalties under sections [indicate sections] of the Internal Revenue Code apply to underpayments attributable to the unreported income and false deductions. For [Year 2], penalties under sections [indicate sections] apply to underpayments attributable to the unreported income and false deductions. [Continue in this manner for all tax years.]

3. Interest is due as provided by law on Taxpayer's underpayments of tax and penalties.

4. Taxpayer waives all defenses to the assessment and collection of tax, penalties, and interest described in the preceding paragraphs, including any defense based on the expiration of the period of limitations on assessment or collection.

5. This closing agreement does not prevent the Internal Revenue Service from auditing Taxpayer for [specify tax years] and proposing adjustments unrelated to offshore payment cards or to offshore financial arrangements. This closing agreement also does not prevent the Service from proposing adjustments related to offshore payment cards or to offshore financial arrangements if, subsequent to the date that this closing agreement is executed, the Service determines that Taxpayer, contrary to the provisions of Revenue Procedure 2003-11, failed to fully and accurately provide the information and materials required by sections 3 and 6 of the revenue procedure. Any examination or determination under this paragraph 5 does not constitute a second examination for purposes of section 7605(b) of the Code or Rev. Proc. 94-68, 1994-2 C.B. 803.



6. Failure to disclose information that would make Taxpayer ineligible to participate in the Offshore Voluntary Compliance Initiative or failure to fully and accurately provide the information or material required by sections 3 and 6 of Revenue Procedure 2003–11 constitutes a misrepresentation of a material fact under section 7121 of the Code.

## **Instructions**

This agreement must be signed and filed in triplicate. (All copies must have original signatures.) The original and copies of the agreement must be identical. The name of the taxpayer must be stated accurately. The agreement may relate to one or more years.

If an attorney or agent signs the agreement for the taxpayer, the power of attorney (or a copy) authorizing that person to sign must be attached to the agreement. If the agreement is made for a year when a joint income tax return was filed by a husband and wife, it should be signed by or for both spouses. One spouse may sign as agent for the other if the document (or a copy) specifically authorizing that spouse to sign is attached to the agreement.

If the fiduciary signs the agreement for a decedent or an estate, an attested copy of the letters testamentary or the court order authorizing the fiduciary to sign, and a certificate of recent date that the authority remains in full force and effect must be attached to the agreement. If a trustee signs, a certified copy of the trust instrument or a certified copy of extracts from that instrument must be attached showing:

- (1) the date of the instrument;
- (2) that it is or is not of record in any court;
- (3) the names of the beneficiaries;
- (4) the appointment of the trustee, the authority granted, and other information necessary to show that the authority extends to Federal tax matters; and
- (5) that the trust has not been terminated, and that the trustee appointed is still acting. If a fiduciary is a party, Form 56, *Notice Concerning Fiduciary Relationship*, is ordinarily required.

If the taxpayer is a corporation, the agreement must be dated and signed with the name of the corporation, the signature and title of an authorized officer or officers, or the signature of an authorized attorney or agent. It is not necessary that a copy of an enabling corporate resolution be attached.

Use additional pages if necessary, and identify them as part of this agreement.

Please see Revenue Procedure 68–16, C.B. 1968–1, page 770, for a detailed description of practices and procedures applicable to most closing agreements.

This agreement is final and conclusive except:

- (1) the matter it relates to may be reopened in the event of fraud, malfeasance, or misrepresentation of material fact;
- (2) it is subject to the Internal Revenue Code sections that expressly provide that effect be given to their provisions (including any stated exception for Code section 7122) notwithstanding any other law or rule of law; and
- (3) if it relates to a tax period ending after the date of this agreement, it is subject to any law, enacted after the agreement date, that applies to that tax period.

**By signing, the above parties certify that they have read and agreed to the terms of this document.**

Your signature \_\_\_\_\_  
Date Signed \_\_\_\_\_

Spouse's signature (if a joint return was filed) \_\_\_\_\_  
Date Signed \_\_\_\_\_

Taxpayer's representative \_\_\_\_\_  
Date Signed \_\_\_\_\_

Taxpayer (other than individual)  
\_\_\_\_\_

By \_\_\_\_\_  
Date Signed \_\_\_\_\_

Title \_\_\_\_\_

Commissioner of Internal Revenue

By \_\_\_\_\_  
Date Signed \_\_\_\_\_

Title \_\_\_\_\_

26 CFR 601.201: Rulings and determination letters.  
(Also section 115.)

## Rev. Proc. 2003-12

### SECTION 1. PURPOSE

This Revenue Procedure provides guidance on dissolution provisions for any organization described in § 501(c)(3) and exempt from federal income tax under § 501(a) of the Code that requests a letter ruling that its income is excluded from gross income under § 115(1).

### SECTION 2. BACKGROUND

.01 Section 115(1) of the Code provides that gross income does not include income that is (i) derived from a public utility or from the exercise of any essential governmental function (the "essential governmental function test"), and (ii) accruing to a State, any political subdivision thereof, or the District of Columbia (the "accrual test"). An entity is not required to obtain a ruling from the Service to claim an exclusion from gross income under § 115(1).

.02 One aspect of the accrual test of § 115(1) is that assets of the organization must be distributed upon the organiza-

tion's dissolution to one or more States, political subdivisions thereof, the District of Columbia, or to other organizations the income of which is excluded from gross income under § 115(1) (the "distribution of assets upon dissolution requirement"). The assets of an entity described in § 115(1) may not be distributed upon dissolution (or at any other time) to the United States government. *See* Rev. Rul. 90-74, 1990-2 C.B. 34; Rev. Rul. 77-261, 1977-2 C.B. 45; Rev. Rul. 71-589, 1971-2 C.B. 94. An organization seeking a ruling under § 115(1) will not be found to satisfy the distribution of assets upon dissolution requirement of the

§ 115(1) accrual test if its articles of organization fail to limit distribution of all the organization's assets upon dissolution to one or more States, political subdivision(s) thereof, the District of Columbia, or to other organizations whose income is excluded from gross income under § 115(1).

.03 An organization may be described in § 501(c)(3) of the Internal Revenue Code and its income may also be excluded from gross income under § 115(1). *See* Treas. Reg. § 1.6033-2(g)(1)(v) (a state institution exempt from taxation under § 501(a) the income of which is excluded from gross income under § 115(a) (now § 115(1)) is not required to file an annual information return on Form 990, *Return of Organization Exempt From Income Tax*); *see also* Rev. Proc. 95-48, §§ 3.01, 4.02, 1995-2 C.B. 418.

.04 To qualify as an organization described in § 501(c)(3) and exempt from federal income tax under § 501(a), an organization must meet the requirements of the organizational test of § 501(c)(3). One requirement of the organizational test is that the assets of the organization be dedicated to an exempt purpose. Treas. Reg. § 1.501(c)(3)-1(b)(4).

.05 A § 501(c)(3) organization's articles of organization must contain a dissolution clause that satisfies the organizational test of § 1.501(c)(3)-1(b)(4) of the Treasury Regulations, unless the organization is organized under State laws that satisfy the distribution of assets upon dissolution provisions of § 1.501(c)(3)-1(b)(4). *See* Treas. Reg. § 1.501(c)(3)-1(b)(4); Rev. Proc. 82-2, 1982-1 C.B. 367.

### SECTION 3. APPLICATION

A § 501(c)(3) organization can satisfy the organizational test of § 1.501(c)(3)-1(b)(4) of the Treasury Regulations by reason of its articles of organization or by operation of law. However, for purposes of obtaining a § 115(1) ruling, a § 501(c)(3) organization will not satisfy the "distribution of assets upon dissolution requirement" of § 115(1) unless its articles of organization also limit distribution of assets on dissolution (to the extent consistent with § 1.501(c)(3)-1(b)(4)) to one or more States, political subdivisions of States, the District of Columbia, or other organizations the income of which is excluded under § 115(1). For purposes of obtaining a § 115(1) ruling, the organization may not

rely on a provision of state law to satisfy the distribution of assets upon dissolution requirement of § 115(1).

### SECTION 4. EXAMPLES

.01 Organization A is exempt from federal income tax under § 501(a) as an organization described in § 501(c)(3). Organization A has a dissolution clause in its articles of organization that satisfies Treas. Reg. § 1.501(c)(3)-1(b)(4). Organization A's articles state that, upon dissolution, any assets remaining after the payment of debts and the satisfaction of liabilities are to be distributed (1) to an organization described in § 501(c)(3) for one or more exempt purposes, or (2) to the United States government, or to a State or local government, for a public purpose. Organization A requests a letter ruling that its income is excluded from gross income under § 115(1). Although the dissolution clause in the articles of Organization A meets the organizational requirements of § 501(c)(3), the dissolution clause allows for distribution to entities to which distributions may not be made under § 115(1). The dissolution clause, therefore, fails to satisfy the distribution of assets upon dissolution requirement of the accrual test of § 115(1). In these circumstances, a favorable ruling on § 115(1) would not be issued.

.02 Organization B is exempt from federal income tax under § 501(a) as an organization described in § 501(c)(3). Organization B has a dissolution clause in its articles of organization that satisfies Treas. Reg. § 1.501(c)(3)-1(b)(4). Organization B's articles state that, upon dissolution, any assets remaining after the payment of debts and the satisfaction of liabilities are to be distributed either (1) to a State or political subdivision thereof for a public purpose or (2) for one or more exempt purposes to an organization described in § 501(c)(3) and whose income is also excludable from gross income under § 115(1). Organization B requests a letter ruling that its income is excluded from gross income under § 115(1). The dissolution clause in the articles of Organization B meets the requirements of the organizational test of § 501(c)(3) and also satisfies the distribution of assets upon dissolution requirement of the accrual test of § 115(1).

.03 Organization C is exempt from federal income tax under § 501(a) as an organization described in § 501(c)(3). Upon

dissolution, Organization C's remaining assets will be distributed by operation of the law of Organization C's state of incorporation to a political subdivision of the state for a public purpose. Organization C requests a letter ruling that its income is excluded from gross income under § 115(1). Although state law provides a dissolution distribution scheme that meets the organizational test of Treas. Reg. § 1.501(c)(3)-1(b)(4), the state's dissolution provision fails to satisfy the accrual test of § 115(1) for purposes of obtaining a § 115(1) letter ruling. In these circumstances, a favorable ruling on § 115(1) would not be issued. To receive a favorable § 115(1) letter ruling, Organization C must have articles of organization that contain a provision satisfying the distribution of assets upon dissolution requirement for the § 115(1) accrual test.

### SECTION 5. DRAFTING INFORMATION

The principal author of this revenue procedure is Sara T. S. Wolff of the Office of Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities). For further information regarding this revenue procedure, contact Ms. Wolff at (202) 622-6080 (not a toll-free call).

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26 CFR 601.201: Rulings and determination letters.

## Rev. Proc. 2003-13

### SECTION 1. PURPOSE

This revenue procedure provides guidance for employers that want to amend their plans qualified under § 401(a) of the Internal Revenue Code to include "deemed IRAs" described in § 408(q). The revenue procedure also provides a sample plan amendment that may be used, in conjunction with IRA language, to amend a qualified plan to provide for deemed IRAs.

### SECTION 2. BACKGROUND

.01 Section 408(q) was added to the Code by section 602 of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), Pub. L. 107-16, effective for plan years beginning after December 31, 2002. Section 408(q) provides

that if a qualified employer plan elects to allow employees to make voluntary employee contributions to a separate account or annuity established under the plan, and under the terms of the qualified employer plan such account or annuity meets the applicable requirements of § 408 or 408A for an individual retirement account or annuity, then such account or annuity shall be treated under the Code in the same manner as an IRA and not as a qualified employer plan. The Internal Revenue Service and Treasury expect to issue regulations under Code § 408(q) in the near future.

.02 Notice 2001-42, 2001-2 C.B. 70, provides a remedial amendment period under § 401(b), ending no earlier than the end of the first plan year beginning on or after January 1, 2005, in which any needed retroactive EGTRRA plan amendment may be adopted (the “EGTRRA remedial amendment period”). The availability of the EGTRRA remedial amendment period is conditioned on the timely adoption of a good faith EGTRRA plan amendment.

.03 Notice 2001-57, 2001-2 C.B. 279, provides sample plan amendments that satisfy, in form, the “good faith EGTRRA plan amendment” requirement described in the preceding paragraph. Although not containing a sample plan amendment for deemed IRAs under Code § 408(q), the notice provides that the good faith plan amendment requirement applies to § 408(q).

The notice also provides that, until further notice, the Service will not consider EGTRRA in issuing determination, opinion or advisory letters.

.04 Rev. Proc. 2002-10, 2002-4 I.R.B. 401, requires all prototype sponsors with currently approved IRAs, SEPs, and SIMPLE IRA plans to amend these documents and submit applications for opinion letters on the amended documents by December 31, 2002.

### SECTION 3. REQUIRED LANGUAGE FOR DEEMED IRAS

.01 Plan sponsors that want to provide for deemed IRAs must have such provisions in their plan documents and must have deemed IRAs in effect for employees no later than the date deemed IRA contributions are accepted from such employees. Notwithstanding the preceding sentence, plan sponsors that want to provide for deemed IRAs for plan years beginning before January 1, 2004, (but after December 31, 2002) are not required to have such provisions in their plan documents before the end of such plan years. Plan sponsors must otherwise comply with the rules in Notice 2001-57. To satisfy the requirements for the EGTRRA remedial amendment period, the provisions must reflect a reasonable, good-faith interpretation of the statute. The sample plan amendment contained in the appendix to this revenue pro-

cedure, when used in conjunction with IRA language described in section 3.02 below, is a reasonable, good-faith interpretation of the statute.

.02 In addition to the sample plan amendment in the Appendix, a plan that intends to comply with Code § 408(q) must also contain language that satisfies § 408 or 408A, relating to traditional and Roth IRAs, respectively. The Service provides sample language (a “Listing of Required Modifications,” or “LRMs”) that satisfies §§ 408 and 408A on the Service’s Web Site at [www.irs.gov/ep](http://www.irs.gov/ep). A plan will satisfy the “reasonable, good-faith interpretation of the statute” requirement with respect to IRA language if the language addresses every applicable point in the IRA LRMs.

### DRAFTING INFORMATION

The principal author of this revenue procedure is Roger Kuehnle of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this revenue procedure, please contact Employee Plans’ taxpayer assistance telephone service at 1-877-829-5500 (a toll-free number), between the hours of 8:00 a.m. and 6:30 p.m. Eastern Time, Monday through Friday. Mr. Kuehnle can be reached at 202-283-9888 (not a toll-free number).

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## APPENDIX

### Sample Plan Amendment

(The following sample plan amendment may be adopted only by plans trusteeed by a person eligible to act as a trustee of an IRA under § 408(a)(2) and plans that designate an insurance company to issue annuity contracts under § 408(b). Additional language that satisfies § 408 or 408A must also be added to the plan.)

### SECTION \_\_\_\_ . DEEMED IRAs

1. Applicability and effective date. This section shall apply if elected by the employer in the adoption agreement and shall be effective for plan years beginning after the date specified in the adoption agreement.

2. Deemed IRAs. Each participant may make voluntary employee contributions to the participant’s \_\_\_\_\_ [insert “traditional” or “Roth”] IRA under the plan. The plan shall establish a separate \_\_\_\_\_ [insert “account” or “annuity”] for the designated IRA contributions of each participant and any earnings properly allocable to the contributions, and maintain separate recordkeeping with respect to each such IRA.



3. Reporting duties. The \_\_\_\_\_ [insert “trustee” or “issuer”] shall be subject to the reporting requirements of section 408(i) of the Internal Revenue Code with respect to all IRAs that are established and maintained under the plan.

4. Voluntary employee contributions. For purposes of this section, a voluntary employee contribution means any contribution (other than a mandatory contribution within the meaning of section 411(c)(2) of the Code) that is made by the participant and which the participant has designated, at or prior to the time of making the contribution, as a contribution to which this section applies.

5. IRAs established pursuant to this section shall be held in \_\_\_\_\_ [insert “a trust” or “an annuity”] separate from the trust established under the plan to hold contributions other than deemed IRA contributions and shall satisfy the applicable requirements of sections 408 and 408A of the Code, which requirements are set forth in section \_\_\_\_\_ [insert the section of the plan that contains the IRA requirements].

(Adoption agreement provisions)

Section \_\_\_\_ of the plan, Deemed IRAs: (check one)

\_\_\_ shall be effective for plan years beginning after December 31, \_\_\_\_ (enter a year later than 2001).

\_\_\_ shall not apply.

26 CFR 601.601: Rules and regulations.

(Also Part I, sections 61, 451, 671; 1.61-1; 1.451-1; 1.671-1.)

## Rev. Proc. 2003-14

### SECTION 1. PURPOSE

This revenue procedure provides a safe harbor under which the Internal Revenue Service will treat an Indian tribe as the grantor and owner of a trust for the receipt of gaming revenues under the Indian Gaming Regulatory Act (25 U.S.C. §§ 2701-2721) (IGRA) for the benefit of minors or legal incompetents. In addition, under this revenue procedure, beneficiaries of an IGRA trust will not be required to include amounts in gross income when transferred to, or earned by, the IGRA trust under the economic benefit doctrine. Rather, beneficiaries will include amounts in income when actually or constructively received.

### SECTION 2. BACKGROUND

.01 Indian tribes and their members have requested guidance on determining the taxable years in which beneficiaries must include in gross income amounts transferred to, or earned by, an IGRA trust. In addition, Indian tribes have requested guid-

ance about the situations in which a tribe will be considered the grantor and owner of an IGRA trust.

.02 Under § 451 of the Internal Revenue Code (Code) and §§ 1.451-1(a) and 1.451-2 of the Income Tax Regulations, a taxpayer using the cash receipts and disbursements method of accounting must include gains, profits, and income in gross income for the taxable year in which those items are actually or constructively received. In addition, under the economic benefit doctrine, a taxpayer using the cash receipts and disbursements method of accounting must include in gross income currently any financial or economic benefit derived from the absolute right to receive property in the future that has been irrevocably and unconditionally set aside for the taxpayer in a trust or fund. *Sproull v. Commissioner*, 16 T.C. 244 (1951), *aff'd per curiam*, 194 F.2d 541 (6<sup>th</sup> Cir. 1952); *Pulsifer v. Commissioner*, 64 T.C. 245 (1975).

.03 Section 671 provides that, where it is specified under subpart E, part I, subchapter J, chapter 1, subtitle A of the Code (“subpart E”) that the grantor or another person shall be treated as the owner of any portion of a trust, there shall be included in computing the taxable income and credits of the grantor or the other person those items of income, deductions, and credits against tax of the trust that are attribut-

able to that portion of the trust to the extent that such items would be taken into account under chapter 1 in computing taxable income or credits against the tax of an individual. Section 672 provides definitions and rules for purposes of subpart E. Subpart E and the accompanying regulations define the circumstances under which a grantor is treated as the owner of all or a portion of a subpart E trust.

.04 IGRA provides rules regarding the conduct of class II and class III gaming on Indian lands within an Indian tribe’s jurisdiction and an Indian tribe’s use of revenues from that gaming. Under IGRA, net revenues from any class II and class III gaming activities conducted or licensed by any Indian tribe may be used to make *per capita* payments to members of the Indian tribe only if: (A) the Indian tribe has prepared a plan to allocate revenues to authorized uses; (B) the Secretary of the Interior approves the plan as adequate; (C) the interests of minors and other legally incompetent persons who are entitled to receive any of the *per capita* payments are protected and preserved and the *per capita* payments are disbursed to the parents or legal guardians of the minors or legal incompetents in such amounts as may be necessary for the health, education, or welfare of the minors or other legally incompetent persons under a plan approved by the Secretary of the Interior and the govern-

ing body of the Indian tribe; and (D) the *per capita* payments are subject to federal taxation and the Indian tribe notifies members of that tax liability when payments are made. Section 11(b)(3) and (d)(1)(A) of IGRA, 25 U.S.C. § 2710(b)(3) and (d)(1)(A).

### SECTION 3. SCOPE

This revenue procedure applies to each Indian tribe, each IGRA trust, and each beneficiary of an IGRA trust.

### SECTION 4. DEFINITIONS

For purposes of this revenue procedure:

.01 *Indian tribe.* The term “Indian tribe” has the same meaning as in 25 U.S.C. § 2703(5).

.02 *IGRA trust.* An “IGRA trust” is a trust that an Indian tribe establishes under IGRA to receive and invest *per capita* payments for its members who are minors or legal incompetents pending distribution of the trust assets to those members after they attain the age of majority or cease to be legal incompetents.

.03 *Minor and legal incompetent.* The terms “minor” and “legal incompetent” have the same meaning as in 25 CFR § 290.2 (relating to review of Indian tribal revenue allocation plans adopted under IGRA).

.04 *Per capita payment.* The term “*per capita* payment” has the same meaning as in 25 CFR § 290.2, but in no event shall the term include compensation for services.

### SECTION 5. APPLICATION

.01 *In general.* For any period in which all of the requirements of section 5.02 of this revenue procedure are met:

(1) The Indian tribe that establishes (or has established) an IGRA trust will be treated as the grantor and owner of the trust under subpart E, and

(2) The beneficiaries of an IGRA trust will not be required to include *per capita* payments received by the trust, and any earnings on the *per capita* payments, in gross income until the taxable year that the beneficiaries actually or constructively receive the amounts under § 451 and the regulations thereunder.

.02 *Requirements for IGRA trusts.*

(1) The Indian tribe has complied with the requirements of § 11(b)(3) of IGRA, 25 U.S.C. § 2710(b)(3), regarding the dis-

bursement of *per capita* payments to members of the Indian tribe.

(2) All contributions to the trust are *per capita* payments disbursed under a revenue allocation plan that complies with the requirements of § 11(b)(3) of IGRA, 25 U.S.C. § 2710(b)(3).

(3) All beneficiaries of the trust are members of the Indian tribe that establishes the trust.

(4) Each trust beneficiary is a minor or legal incompetent at the time of the establishment of a trust interest for the beneficiary, and all contributions to the trust with respect to that beneficiary are made for the period that the beneficiary is a minor or legal incompetent.

(5) The trust is a valid trust under applicable federal, state, local, and tribal law and all of the material terms and provisions of the trust are enforceable under those laws.

(6) The governing trust instrument states that the trust is intended to be a grantor trust, that the Indian tribe is the grantor of the trust (within the meaning of subpart E), and that the trust shall be construed accordingly.

(7) The governing trust instrument grants to the Indian tribe a power, an interest, or a combination thereof, described in §§ 673 through 677, that would cause the Indian tribe to be treated as owner of the trust under subpart E.

(8) The governing trust instrument provides that—

(a) trust assets are not available to a beneficiary until the beneficiary attains a specified age or ceases to be a legal incompetent, except for distributions for the health, education, or welfare of the beneficiary made at the sole discretion of the trustee pursuant to the governing trust instrument;

(b) beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the trust; any rights created under the trust instrument shall be mere unsecured contractual rights of beneficiaries against the Indian tribe; and at all times during the continuance of the trust, the principal and income of the trust shall be subject to claims of general creditors of the Indian tribe under applicable federal, state, local, and tribal law;

(c) the trustee shall cease payments to beneficiaries and shall hold the assets of the trust for the benefit of the Indian tribe’s

general creditors throughout any period during which the trustee believes or has reason to believe that the Indian tribe is unable to pay its debts as they become due, or is subject to a pending insolvency or bankruptcy proceeding;

(d) amounts payable to beneficiaries under the governing trust instrument may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process; and

(e) the beneficiary’s share will be paid to the Indian tribe if the beneficiary dies prior to attaining the specified age or legal competency, or alternatively the beneficiary dies prior to attaining the specified age or legal competency without one or more of the following relatives surviving: a spouse, parent, child, or sibling.

### SECTION 6. AMPLIFICATION OF REV. PROC. 2003–3

.01 This revenue procedure amplifies section 4.01 of Rev. Proc. 2003–3, 2003–1 I.R.B. 113, relating to areas in which ruling letters or determination letters will not ordinarily be issued, by adding the following new paragraphs:

Section 451.—General Rule for Taxable Year of Inclusion—The income tax consequences as a result of being a beneficiary of a trust that an Indian tribe (as defined in 25 U.S.C. § 2703(5)) establishes to receive and invest *per capita* payments for its members who are minors or legal incompetents under the Indian Gaming Regulatory Act (25 U.S.C. §§ 2701–2721), if the trust meets the requirements of section 5.02 of Rev. Proc. 2003–14.

Sections 671 through 679.—Grantors and Others Treated as Substantial Owners—Whether an Indian tribe (as defined in 25 U.S.C. § 2703(5)) that establishes a trust to receive and invest *per capita* payments for its members who are minors or legal incompetents under the Indian Gaming Regulatory Act (25 U.S.C. §§ 2701–2721) is the grantor and owner of the trust, if the trust meets the requirements of section 5.02 of Rev. Proc. 2003–14.

.02 This revenue procedure also amplifies section 5 of Rev. Proc. 2003–3, relating to areas in which rulings or

determination letters will not be issued until the Service resolves the issue through publication of a revenue ruling, revenue procedure or otherwise, by adding the following new paragraphs:

Section 451.—General Rule for Taxable Year of Inclusion—The income tax consequences as a result of being a beneficiary of a trust that an Indian tribe (as defined in 25 U.S.C. § 2703(5)) establishes to receive and invest *per capita* payments for its members (regardless of whether they are minors or legal incompetents) under the Indian Gaming Regulatory Act (25 U.S.C. §§ 2701–2721) if the trust does not meet the requirements of section 5.02 of Rev. Proc. 2003–14.

Sections 671 through 679.—Grantors and Others Treated as Substantial Owners—Whether an Indian tribe (as defined in 25 U.S.C. § 2703(5)) that establishes a trust to receive and invest *per capita* payments for its members (regardless of whether they are minors or legal incompetents) under the Indian Gaming Regulatory Act (25 U.S.C. §§ 2701–2721) is the grantor and owner of the trust if the trust does not meet the requirements of section 5.02 of Rev. Proc. 2003–14.

## SECTION 7. EFFECTIVE DATES

This revenue procedure (except section 6) is effective for taxable years beginning after December 31, 2001. Section 6 of this revenue procedure applies to requests for rulings received or pending in the national office on or after January 6, 2003.

## SECTION 8. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2003–3 is amplified.

## REQUEST FOR COMMENTS

The Service requests comments on this revenue procedure and on the application of the economic benefit doctrine to IGRA trusts that are not within the scope of this revenue procedure. Specifically, the Service requests comments concerning the type of trust provisions that preclude the application of the economic benefit doctrine.

Comments should be submitted by April 28, 2003, either to:

Internal Revenue Service  
P.O. Box 7604  
Ben Franklin Station

Washington, DC 20044  
Attn: CC:PA:T:CRU (CC:ITA:4)  
Room 5529

or electronically at: *Notice.Comments@irscounsel.treas.gov* (the Service's comments e-mail address). All comments are available for public inspection and copying.

## DRAFTING INFORMATION

The principal author of this revenue procedure is Elizabeth Kaye of the Office of the Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue procedure, contact Ms. Kaye at (202) 622–4920 (not a toll-free call).

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26 CFR 601.201: *Rulings and determination letters.*  
(Also Part I, sections 25, 103, 143, 1.25.4T, 1.103–1, 6A.103A–2.)

## Rev. Proc. 2003–15

### SECTION 1. PURPOSE

This revenue procedure provides issuers of qualified mortgage bonds, as defined in section 143(a) of the Internal Revenue Code, and issuers of mortgage credit certificates, as defined in section 25(c), with a list of qualified census tracts for each state and the District of Columbia.

### SECTION 2. BACKGROUND

.01 Section 103(a) of the Code provides that, except as provided in section 103(b), gross income does not include interest on any state or local bond. Section 103(b)(1) provides that section 103(a) shall not apply to any private activity bond that is not a “qualified bond” within the meaning of section 141. Section 141(e) provides that the term “qualified bond” includes any private activity bond if that bond: (1) is a qualified mortgage bond; (2) meets the volume cap requirements under section 146; and (3) meets the applicable requirements under section 147.

.02 Section 143(a)(1) of the Code provides that the term “qualified mortgage bond” means a bond which is issued as part of a “qualified mortgage issue”. Section 143(a)(2)(A) provides that the term “qualified mortgage issue” means an issue by a

state or political subdivision thereof of one or more bonds but only if: (i) all proceeds of the issue (exclusive of issuance costs and a reasonably required reserve) are to be used to finance owner occupied residences; (ii) the issue meets the requirements of subsections (c), (d), (e), (f), (g), (h), (i), and (m)(7); (iii) the issue does not meet the private business tests of paragraphs (1) and (2) of section 141(b); and (iv) with respect to amounts received more than 10 years after the date of issuance, repayments of \$250,000 or more of principal on financing provided by the issue are used not later than the close of the first semi-annual period beginning after the date the prepayment (or complete repayment) is received to redeem bonds that are part of the issue.

.03 An issue of bonds meets the requirements of subsection (h) of section 143 of the Code only if at least 20 percent of the proceeds of the issue is made available for owner financing of “targeted area residences” for at least 1 year after the date on which owner financing is first made available with respect to targeted area residences. Subsection (h)(2) provides, however, that the amount made available need not exceed 40 percent of the average annual aggregate principal amount of mortgages executed during the immediately preceding 3 calendar years for single-family, owner occupied residences located in targeted areas within the jurisdiction of the issuing authority.

.04 Targeted area residences are defined in section 143(j)(1)(A) to include residences in a qualified census tract. A “qualified census tract,” according to section 143(j)(2)(A), is a census tract in which 70 percent or more of the families have income that is 80 percent or less of the statewide median family income. Section 143(j)(2)(B) of the Code provides that the determination that a census tract is a “qualified census tract” must be based on the most recent decennial census for which data are available. The last list of qualified census tracts, published in Rev. Proc. 93–38, 1993–2 C.B. 483, was based on the 1990 Census.

.05 Section 6a.103A–2(b)(4)(ii) of the Temporary Income Tax Regulations provides that, with respect to any particular bond issue, the determination that a census tract is a “qualified census tract” may be based upon the decennial census data

available 3 months prior to the date of issuance and shall not be affected by official changes to the data during or after that 3-month period.

.06 Section 143(k)(2)(A) of the Code provides that the term “statistical area” means (i) a metropolitan statistical area (“MSA”), and (ii) any county (or the portion thereof) that is not within an MSA.

.07 An MSA is currently defined as an area containing at least one urbanized area with a population of at least 50,000, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting. See Office of Management and Budget (“OMB”), Standards for Defining Metropolitan and Micropolitan Statistical Areas; Notice, 65 FR 249, December 27,

2000. (New area definitions based on Census 2000 will be released by OMB in 2003).

.08 A state or local government may elect to exchange all or part of its qualified mortgage bond authority for authority to issue mortgage credit certificates. In general, the recipient of a mortgage credit certificate may claim a federal income tax credit equal to the product of the certificate credit rate and the interest paid or accrued during the tax year on the remaining principal of the certified indebtedness amount. Section 25(c)(2)(A)(iii)(V) of the Code provides that the indebtedness certified by mortgage credit certificates must meet the requirements of section 143(h) concerning the portion of loans to be placed in targeted areas.

.09 The list of qualified census tracts is developed by HUD for publication by the service. HUD’s determination is based upon decennial census data received by HUD from the Bureau of the Census.

### SECTION 3. APPLICATION

The qualified census tracts for each state and the District of Columbia as listed below are based on the 2000 census. In 2000, the Bureau of the Census has provided data for all areas, not only the metropolitan statistical areas. Thus, the list of qualified census tracts includes tracts in Block numbering areas (BNA) in nonmetropolitan counties as well as tracts in Metropolitan Statistical Areas (MSA).



State and County or County Equivalent	Qualified Census Tracts			
<b>ALABAMA</b>				
Butler County.....	953100			
Calhoun County.....	000500	000600		
Dallas County.....	996400	996500		
Etowah County.....	000700	001400		
Houston County.....	040600			
Jefferson County.....	000300	000500	000700	001500
	002700	002900	003200	003400
	003900	004500	005101	010100
	010302			
Lauderdale County.....	010300	010700		
Lee County.....	040700	040800	041600	
Madison County.....	000201	001100	001200	001600
	002100	002501		
Mobile County.....	000401	000402	000600	001200
	001400	001501	001502	002700
	004000	004100	004200	004300
	004600	004800		
Montgomery County.....	000100	000200	000300	000600
	001000	001100	001200	003000
Perry County.....	987200			
Russell County.....	030200	030800		
Tuscaloosa County.....	011200	011701	011800	
Wilcox County.....	994700			
<b>ALASKA</b>				
Anchorage Municipality.....	000600	001000		
Bethel Census Area.....	000100	000300		
Fairbanks North Star Borough.....	001100	001800		
Kenai Peninsula Borough.....	000100			
Skagway-Hoonah-Angoon Census Area.....	000200			
Wade Hampton Census Area.....	000100			
Yukon-Koyukuk Census Area.....	000100	000400		
<b>ARIZONA</b>				
Apache County.....	940100	942600	942700	944100
	944200	944300		
Cochise County.....	000600	000900		
Coconino County.....	000800	001000	941100	944500
Gila County.....	940200	940400		
Graham County.....	940500			
La Paz County.....	020100	020500		
Maricopa County.....	061400	092900	103306	107201
	108601	108602	109000	110200
	110701	111202	111203	111602
	112507	112602	112800	113201
	113202	113203	113300	113500
	113601	113700	113800	113900
	114200	114302	114401	114402
	114500	114701	114702	114703

State and County or County Equivalent	Qualified Census Tracts			
ARIZONA (cont.)				
Maricopa County (cont.) .....	114800	114900	115200	115300
	115801	115900	116100	116602
	941000	941100		
Mohave County.....	940400	951700	951800	
Navajo County.....	940300	941000	942400	944400
	944500	944700	944800	
Pima County .....	000100	001000	001301	001302
	002100	002300	002400	002601
	002801	002802	003702	003801
	004104	004111	004900	005100
	940600	940700	940800	941100
	941200			
Santa Cruz County.....	996402			
Yuma County .....	000301	000302	000401	000402
	000700	001300	011401	011600
ARKANSAS				
Craighead County .....	000602			
Crittenden County.....	030501	030502		
Jefferson County.....	001300			
Miller County.....	020400	020600		
Phillips County .....	980500			
Pulaski County.....	000900	001700	002800	
Washington County.....	010900			
CALIFORNIA				
Alameda County .....	401300	401400	401600	401700
	401800	402100	402200	402500
	402600	402700	402800	402900
	403000	403300	405400	407500
	420400	422800		
Butte County.....	000604	001000	002800	002900
	003000	003200		
Contra Costa County .....	328000	365002	379000	
Fresno County.....	000100	000200	000300	000400
	000500	000600	000700	000800
	000900	001000	001100	001201
	001202	001301	001302	001405
	001500	002000	002100	002300
	002400	002501	002502	002601
	002701	002702	002800	002902
	003001	003102	003300	003400
	004404	004704	004800	005202
	005403	005602	005604	006200
	006500	006801	006802	007100
	007800	008200	008301	008302
	008402			
Humboldt County .....	000100	000200		

State and County or  
County Equivalent

Qualified Census Tracts

State and County or County Equivalent	Qualified Census Tracts			
<b>CALIFORNIA (cont.)</b>				
Imperial County .....	010400	011400	011500	012100
	012302	012400	012500	
Kern County .....	000200	000300	000400	000600
	001101	001102	001103	001201
	001202	001300	001400	001500
	001600	002000	002100	002200
	002301	002302	002500	002600
	002812	003000	003400	004000
	004102	004402	004500	004700
	004800	004901	005202	005300
	005900	006202	006301	006302
	006401	006402		
Kings County .....	000300	000900	001002	001100
	001300	001400	001701	
Lake County .....	000500	000700	000800	
Los Angeles County .....	104701	106404	117405	117406
	117510	117530	119340	120030
	120101	120102	122410	123203
	123204	123205	123206	123410
	124202	127220	127520	128210
	128302	128303	134305	183520
	183810	183820	186401	190200
	190400	190510	190520	190700
	190800	190901	190902	191000
	191110	191120	191201	191203
	191204	191300	191410	191420
	191500	191610	191620	191710
	191720	191810	191820	192520
	192610	192620	192700	195600
	195710	195720	195802	197300
	197420	197600	197700	199000
	199120	199201	199400	199700
	199800	199900	203100	203200
	203300	203500	203600	203710
	203720	204120	204200	204300
	204410	204420	204600	204700
	204810	204910	205110	205120
	206010	206020	206030	206200
	206300	207100	207300	207710
	208000	208300	208400	208500
	208620	208710	208720	208800
	208902	208903	208904	209101
	209102	209200	209300	209401
	209402	209403	209510	209520
	209810	209820	210010	211110
	211200	211310	211320	211410
	211801	211802	211910	211920
	212100	212202	212203	212204
	212303	212304	212305	212306

State and County or  
County Equivalent

Qualified Census Tracts

CALIFORNIA (cont.)

State and County or County Equivalent	Qualified Census Tracts			
Los Angeles County (cont.).....	212410	212420	212500	212610
	212620	212900	213201	213202
	213310	213320	213401	213402
	218120	218210	218800	218900
	221110	221120	221220	221301
	221302	221400	221500	221600
	221710	221810	221820	222200
	222500	222600	222700	224010
	224020	224200	224310	224320
	224410	224420	224600	224700
	226000	226410	226420	226700
	227010	227020	228100	228210
	228220	228310	228320	228410
	228420	228500	228600	228710
	228720	228800	228900	229200
	229300	229410	229420	231100
	231210	231220	231300	231600
	231710	231720	231800	231900
	232110	232120	232400	232500
	232600	232700	232800	234900
	235202	236100	236201	236202
	237100	237200	237500	237600
	237710	237720	238310	238320
	239200	239310	239330	239500
	239600	239700	239800	240010
	240020	240200	240300	240400
	240500	240600	240700	240800
	240900	241000	241120	241400
	242100	242200	242300	242600
	242700	243000	243100	265301
	269600	275520	291120	293202
	294700	294810	294820	294830
	294900	296210	296220	297110
	302201	302501	402302	402501
	402702	402801	402802	408800
	432801	432802	433301	433402
	433403	433502	433901	462000
	481714	482303	482304	504102
	530901	531101	531201	531202
	531301	531602	531702	531800
	532605	532606	532700	532800
	532900	533000	533103	533104
	533105	533107	533201	533300
	533401	533403	533501	533503
	533601	533702	533801	533901
	533902	534001	534102	534201
	534301	534404	534405	534406
	535000	535101	535200	535300
	535501	535503	535605	535606



State and County or County Equivalent	Qualified Census Tracts			
CALIFORNIA (cont.)				
Los Angeles County (cont.).....	540000	540202	540400	540502
	540600	540700	541400	541500
	541603	541604	541605	541606
	542601	542602	570203	570304
	570603	571600	572500	572800
	572900	573001	573002	573201
	573202	573300	575101	575102
	575103	575201	575202	575300
	575401	575402	575500	575801
	575802	575803	575901	575902
	576000	576200	576300	576401
	576402	576403	576501	576502
	576503	576901	576902	600100
	600201	600202	600301	600602
	601100	601211	601501	601600
	601700	601802	601900	602105
	602501	602502	602503	900602
	900704	900806	910402	910403
	910501	910502		
Madera County .....	000601	000602	000800	000900
Mendocino County .....	011600			
Merced County .....	000504	001003	001005	001301
	001302	001502	001503	001601
	001602	001901	002201	
Monterey County .....	001000	001300		
Orange County .....	074403	074405	074406	074902
	075002	075003	075004	089104
Riverside County .....	030300	030400	030502	030503
	040203	040204	041500	041600
	041703	041704	042202	042209
	042211	042504	042505	042515
	042710	042723	042800	043006
	043308	043401	043403	043405
	043503	043507	043600	044000
	044101	044503	044506	044507
	044509	044510	044915	045207
	045301	045400	045502	045604
	045605	045705	045706	940100
Sacramento County .....	000500	000700	000900	001000
	001100	001300	001800	002100
	002700	002800	003700	004203
	004402	004500	004602	004903
	005002	005201	005300	005506
	006202	006400	006600	006702
	006800	007300	007413	007503
	008800	009110		
San Bernardino County .....	001400	001500	001600	003402
	003700	004201	004202	004700
	004800	004900	005000	005400

State and County or County Equivalent	Qualified Census Tracts			
CALIFORNIA (cont.)				
San Bernardino County (cont.) .....	005500	005600	005800	005900
	006202	006302	006401	006402
	006500	006800	006900	007000
	007107	007407	007408	007601
	009400	009800	010014	010402
	010414	940100	940500	
San Diego County.....	000900	001200	001600	001700
	001800	002201	002202	002301
	002302	002401	002402	002501
	002601	002602	002707	002708
	002709	002710	003302	003303
	003404	003501	003601	003602
	003603	003901	003902	004000
	004100	004501	004502	004600
	004700	004800	004900	005000
	005100	005600	005700	005800
	006200	006600	010012	010013
	010015	010112	010401	010502
	011400	011500	011601	011602
	011802	012500	013103	013206
	014400	015701	015703	015801
	015802	015901	018200	018400
	019501	020009	020207	020212
San Francisco County.....	010700	011300	011400	011500
	011700	011800	012400	012500
	016100	023103	060300	060502
	060700			
San Joaquin County.....	000100	000300	000402	000500
	000600	000700	000800	001700
	001900	002200	002300	003308
	003309	003406	003407	004401
San Luis Obispo County .....	010901			
Santa Barbara County.....	002304	002403	002404	002702
	002911	002912		
Santa Clara County.....	500902			
Shasta County .....	011200	012000		
Siskiyou County.....	000200			
Stanislaus County .....	000803	001604	001700	001800
	002100	002200	003802	003906
	003908			
Sutter County .....	050102	050202		
Trinity County.....	000300			
Tulare County .....	000302	000501	000600	000702
	001004	001100	001200	001601
	002008	002202	002601	002800
	002901	003001	003100	003200
	003802	003901	003902	004101
	004102	004200	004300	004400
Ventura County .....	002300	004301	004706	005002

State and County or County Equivalent	Qualified Census Tracts			
<b>CALIFORNIA (cont.)</b>				
Yolo County .....	010101	010203	010501	
Yuba County .....	040100	040300	040400	
<b>COLORADO</b>				
Adams County .....	007800	007900	008952	009320
	009606			
Arapahoe County .....	004950	006501	007040	007202
	007300			
Baca County.....	984600			
Boulder County.....	012300			
Chaffee County .....	000100			
Conejos County.....	974800			
Costilla County .....	982600	982700		
Crowley County.....	989600			
Denver County.....	000600	000702	000800	001101
	001600	001900	002403	002701
	003602	004101	004404	004502
	005103	008313		
El Paso County .....	002200	002300	002800	002900
	004009	004400	005201	006100
Huerfano County.....	980600			
Lake County.....	961600			
Larimer County.....	000600			
Las Animas County .....	000100			
Mesa County .....	000300	000602	000700	
Montezuma County.....	941000			
Otero County.....	987700	988000		
Prowers County.....	000200	000500		
Pueblo County.....	000200	000600	000700	000800
	001000	001100	001200	001300
	001400	001800	001900	002000
	002100	002200	002300	002400
	002600	002901		
Rio Grande County.....	976800			
Saguache County .....	977700			
Weld County .....	000100	000200	000500	000600
	000701	000800	001002	
<b>CONNECTICUT</b>				
Fairfield County.....	022200	044100	070300	070500
	070600	070900	071000	071100
	071200	071300	071400	071600
	071700	071900	073200	073500
	073600	073700	073800	073900
	074000	074300	074400	
Hartford County.....	415900	416100	416200	416600
	417100	417300	480600	490200
	500100	500200	500300	500400

State and County or County Equivalent	Qualified Census Tracts			
<b>CONNECTICUT (cont.)</b>				
Hartford County (cont.).....	500500	500900	501000	501100
	501200	501300	501400	501500
	501700	501800	502400	502500
	502600	502700	502800	502900
	503000	503100	503200	503300
	503400	503500	503700	503800
	504100	504300	504700	504900
Litchfield County.....	310300			
Middlesex County.....	541100	541600	541800	
New Haven County .....	140200	140300	140400	140500
	140600	140700	140800	141300
	141500	141600	142100	142300
	142400	142500	170100	170200
	170300	171000	171500	350100
	350200	350300	350400	350500
	350800	351200	351400	351700
	352200			
New London County .....	690100	690300	690400	690500
	696800	702202	702500	
Windham County.....	800600			
<b>DELAWARE</b>				
New Castle County.....	000100	000700	000800	000900
	001700	001900	002000	002200
	002300	014501		
<b>DISTRICT OF COLUMBIA</b>				
District of Columbia.....	004700	004901	006002	006400
	007200	007401	007404	007406
	007408	007504	008803	008804
	008904	009602	009801	009802
	009806	009808	009904	
<b>FLORIDA</b>				
Alachua County .....	000200	000600	000901	000902
	001502	001902		
Bay County .....	001800			
Brevard County.....	060700	062600		
Broward County.....	030301	030402	041400	041500
	041600	041700	060303	080500
	100500			
Collier County.....	011204	011205		
Duval County .....	000400	001000	001300	001500
	001600	001700	001800	002600
	002901	011500		
Escambia County .....	000400	001500	001700	001800
	002000			
Hillsborough County.....	000700	001800	003000	003200
	003400	003600	003900	004000



State and County or County Equivalent	Qualified Census Tracts			
FLORIDA (cont.)				
Hillsborough County (cont.).....	004300	010807	010808	012900
Lee County.....	000302	000502	000600	
Leon County .....	000500	000600	001001	001101
	001200	001400	002001	002002
Marion County.....	001700	001800		
Miami-Dade County .....	000408	000503	000703	000803
	000903	001004	001401	001402
	001501	001502	001702	001801
	001803	001901	001903	001904
	002001	002003	002004	002401
	002402	002500	002600	002800
	003001	003003	003004	003100
	003400	003601	003602	003701
	003702	003907	004402	004901
	005201	005202	005301	005302
	005402	005703	006602	009310
	010206	010602	010800	010900
	011001	011300		
Orange County.....	010400	010500	010600	011400
	011702	011901	014502	
Palm Beach County .....	001404	001909	002200	002400
	002600	006801	008201	008202
	008301			
Pinellas County.....	020500	020700	020900	021000
	021200	021300	021600	
Polk County .....	010100	010200	011000	011201
	012004	013300	013701	
St. Lucie County.....	000100	000200	000300	
Seminole County.....	020500			
Volusia County.....	081500	081900	082000	082100
GEORGIA				
Ben Hill County.....	960400			
Bibb County.....	010100	010400	010500	010600
	010700	011100	011200	011300
	011400	011500	012700	012900
	013000			
Burke County.....	950400	950800		
Carroll County .....	990502			
Chatham County .....	000100	000601	001100	001200
	001800	001900	002000	002300
	002400	002800	003200	004400
	010101			
Clarke County.....	000100	000400	000900	001900
	030200			
Clay County .....	960100			
Cobb County.....	030800			
Colquitt County.....	970300			
Decatur County.....	970400			

State and County or County Equivalent	Qualified Census Tracts			
GEORGIA (cont.)				
DeKalb County .....	020600	022100	023802	
Dougherty County.....	000100	000200	000300	000800
	001200	001300	001401	001402
	001500	010302	010601	010700
Evans County.....	970300			
Floyd County .....	001500			
Fulton County .....	000800	001000	001700	001900
	002100	002200	002300	002400
	002500	002600	002800	003300
	003500	003700	003800	003900
	004100	004300	004400	004600
	004800	005501	005502	005600
	005700	006200	006300	006400
	006602	006700	006802	006900
	007002	007100	007200	007300
	007400	007601	007808	008202
	008301	008302	008400	008500
	008601	008602	008701	008702
	010900	011000	011201	
Glynn County.....	000700	000800		
Hall County.....	000800			
Hancock County .....	980100	980200		
Houston County .....	020400			
Laurens County.....	950300	950900		
Liberty County.....	010100			
Lowndes County .....	010500	010800	010900	011000
	011302			
Mitchell County .....	980300			
Muscogee County .....	000300	000500	001300	001400
	001500	001600	001800	002200
	002400	002500	002700	002800
	003000	003200	003400	010800
	011000			
Richmond County .....	000200	000300	000600	000700
	000900	001300	001400	001500
	010300	010400	010504	010600
Screven County.....	970200			
Spalding County .....	160400			
Stewart County .....	950200			
Terrell County .....	980300			
Thomas County.....	960100			
Tift County.....	990600			
Ware County .....	950400	950700	950800	
HAWAII				
Honolulu County.....	003900	005200	005400	005700
	005800	006202	006302	008610
	009501	009502	009503	009505
	010801			

State and County or  
County Equivalent

Qualified Census Tracts

State and County or County Equivalent	Qualified Census Tracts			
<b>HAWAII (cont.)</b>				
Kalawao County .....	031900			
Kauai County .....	041000			
Maui County .....	031300			
<b>IDAHO</b>				
Canyon County .....	020200			
Owyhee County .....	940300			
<b>ILLINOIS</b>				
Adams County .....	000400	000700	000800	
Alexander County .....	957900			
Champaign County .....	000100	000300	000700	005200
	005300	006000		
Cook County .....	031200	031500	031600	050400
	080500	080800	081900	222300
	222600	222800	222900	230100
	230200	230300	230900	231100
	231500	231600	231700	240100
	240600	240700	241000	241100
	242700	251700	251900	260100
	260300	260400	260500	260600
	260700	260800	270200	270300
	270500	270600	270700	271100
	271200	271300	271400	280400
	280500	280600	280800	280900
	281000	281300	281400	281500
	282700	283500	283600	283800
	283900	284000	284100	284200
	290200	290300	290400	290500
	290600	290700	290900	291000
	291100	291200	291300	291400
	291500	291600	291700	291800
	291900	292000	292200	300100
	300200	300400	300700	300800
	300900	301000	301200	301300
	301400	301500	310100	310500
	310600	310800	310900	311000
	311200	320400	330300	340400
	340600	350200	350400	350600
	351100	351400	351500	360100
	360200	360300	360400	370100
	370200	370400	380100	380200
	380500	380600	380700	380800
	381300	381400	381500	381600
	381700	381800	382000	390300
	390400	400100	400200	400300
	400500	400600	400700	400800
	410400	420400	420500	420600
	420700	420800	420900	421100

State and County or County Equivalent	Qualified Census Tracts			
ILLINOIS (cont.)				
Cook County (cont.) .....	430300	430500	430700	431300
	440100	440800	460100	460200
	460600	460700	460800	460900
	461000	490200	491400	500200
	540100	560200	610200	610300
	610400	610500	610600	611100
	611200	611300	611400	611700
	611800	611900	612000	612100
	630100	670200	670300	670600
	670800	670900	671000	671100
	671200	671500	671700	680100
	680200	680300	680400	680500
	680600	680700	680900	681000
	681100	681200	681300	690100
	690200	690300	690700	710100
	710200	710900	821500	826800
	826901	826902	829000	829100
Crawford County .....	980400			
DeKalb County .....	001000	001100	001200	
Franklin County .....	041000			
Greene County .....	973900			
Jackson County .....	011100	011200	011300	011400
Jefferson County .....	050900	051000		
Kane County .....	853700			
Kankakee County .....	011000	011600	012300	
Lake County .....	862300	862605	862700	862902
McDonough County .....	010500			
McLean County .....	000200			
Macon County .....	000100	000300	000600	000700
	000800	000900	001000	
Madison County .....	400300	400700	400901	
Marion County .....	952500			
Peoria County .....	000100	000200	000300	000500
	000600	000700	000800	000900
	001200	001300	001500	
Rock Island County .....	020600	022300	022600	023600
St. Clair County .....	500400	500500	500600	500900
	502200	502401	502500	502700
	502800	504201	504500	
Saline County .....	955500			
Sangamon County .....	000800	000900	001400	001500
	001600	001700	002400	002802
Stephenson County .....	000700			
Vermilion County .....	000100	000200	000300	
White County .....	958000			
Will County .....	881900	882000		
Winnebago County .....	001000	001100	001300	002100
	002400	002500	002600	002800



State and County or County Equivalent	Qualified Census Tracts			
<b>INDIANA</b>				
Allen County.....	001600	001700	002100	002700
Delaware County.....	000100	000200	000300	000400
	000600	000902	001901	
Elkhart County.....	002600	002800		
Floyd County.....	070200			
Henry County.....	976300			
Lake County.....	010202	011400	011900	012100
	012200	020600	030100	030300
	031000			
LaPorte County.....	040200			
Madison County.....	000500			
Marion County.....	330801	350300	350700	350800
	350900	351100	351600	351700
	352800	353100	353500	353600
	354400	354700	355000	355600
	355700	356900	357200	
Monroe County.....	000201	000600		
St. Joseph County.....	002800			
Tippecanoe County.....	005500	010300	010500	
Vanderburgh County.....	001900	002500	002600	
Vigo County.....	000100	000300	000500	000800
	010500			
Wayne County.....	000200			
<b>IOWA</b>				
Black Hawk County.....	000100	000900		
Dubuque County.....	000100			
Johnson County.....	002100			
Polk County.....	004900	005000	005200	
Scott County.....	010800	010900		
Story County.....	000500			
Webster County.....	000700			
Woodbury County.....	001500	001600		
<b>KANSAS</b>				
Douglas County.....	000400			
Geary County.....	000100	000200		
Montgomery County.....	950500	950900	951200	
Reno County.....	000600	000800		
Riley County.....	000802	001000		
Saline County.....	000200			
Sedgwick County.....	000600	000800	000900	001800
	002600	003700	006800	
Shawnee County.....	000400	000500	001100	001200
	004000			
Wyandotte County.....	040300	040800	041000	041100
	041200	043000		

State and County or County Equivalent	Qualified Census Tracts			
<b>KENTUCKY</b>				
Bell County .....	960100	960900	961000	
Breathitt County .....	980400	980700		
Campbell County .....	050100			
Clay County .....	950100	950400	950500	950600
Fayette County .....	000400	000801	000900	001800
Floyd County .....	980800			
Harlan County .....	970300	970600	971000	971100
	971200			
Jefferson County .....	000600	001800	002300	002400
	002700	003000	003500	003700
	004301	004302	005900	006200
Knox County .....	990100			
Lawrence County .....	990300			
Letcher County .....	950300			
Lewis County .....	990400			
McCracken County .....	030100	030200	030300	030400
McCreary County .....	960100	960200	960400	
Madison County .....	010500			
Martin County .....	950100	950300		
Owsley County .....	990200			
Perry County .....	970700			
Warren County .....	010200			
Whitley County .....	980800			
<b>LOUISIANA</b>				
Bossier Parish .....	010400	011300		
Caddo Parish .....	020400	020600	020800	020900
	021300	021700	023300	023700
	024601			
Calcasieu Parish .....	000400			
East Baton Rouge Parish .....	000200	001000	001104	001300
	001500	002100	002200	002800
	003102			
East Carroll Parish .....	990300			
Evangeline Parish .....	950500	950600		
Iberia Parish .....	030800			
Jefferson Parish .....	020600	026200	027602	
Lafayette Parish .....	000800	000900		
Lincoln Parish .....	960900			
Madison Parish .....	960300	960400		
Natchitoches Parish .....	990700			
Orleans Parish .....	000200	000300	000601	000603
	000901	000902	000903	001301
	001304	001500	001600	001714
	001733	001900	002000	002700
	002800	002900	003000	003305
	003306	003500	004401	004402
	004500	004800	004900	006000
	006700	006800	006900	007100

State and County or County Equivalent	Qualified Census Tracts			
LOUISIANA (cont.)				
Orleans Parish (cont.).....	007200	008101	008500	008600
	008700	009200	009301	009302
	009400	013100		
Ouachita Parish.....	000600	000700	000900	001100
	001500	010700		
Rapides Parish.....	011000	011100	011400	011900
	012000	012700		
St. Landry Parish.....	961300	961600		
St. Mary Parish.....	041600			
Vermilion Parish.....	950800			
Webster Parish.....	031700			
MAINE				
Androscoggin County.....	010100	020100	020400	
Cumberland County.....	000500			
MARYLAND				
Allegany County.....	000300	000500	000700	000800
	001000	001503	002100	002200
Anne Arundel County.....	740105			
Baltimore County.....	401602	421300	450504	450800
	490605	491401		
Dorchester County.....	970500			
Frederick County.....	750100	750300		
Garrett County.....	000700			
Harford County.....	302901			
Prince George's County.....	803200	803401	803509	804300
	804800	805601	805602	
Somerset County.....	980101	980200	980600	
Washington County.....	000302	000400	000700	000900
Wicomico County.....	000100	000300	000500	010200
Worcester County.....	990300			
Baltimore City.....	030100	050100	060100	060200
	060300	060500	070100	070200
	070300	070400	080102	080200
	080301	080302	080400	080500
	080600	080700	080800	090400
	090500	090600	090700	090800
	090900	100100	100200	100400
	120400	120500	120700	130100
	130200	130300	130400	130804
	140200	140300	150100	150200
	150300	150400	150500	150600
	150800	151200	151300	160100
	160200	160300	160400	160500
	160600	160700	160802	170100
	170200	170300	180100	180300
	190100	190300	200100	200200
	200300	200400	200500	200600

State and County or County Equivalent	Qualified Census Tracts			
MARYLAND (cont.)				
Baltimore City (cont.).....	200701	200702	200800	210100
	210200	230300	250203	250204
	250207	250301	250302	250402
	250500	260202	260303	260401
	260402	260404	260501	260604
	260700	260800	261000	270701
	271700	271801	271802	280301
	280404			
MASSACHUSETTS				
Barnstable County.....	012300	012400	014100	
Berkshire County.....	900100	900200	900600	901200
	921100	921400		
Bristol County.....	640200	640300	640600	640900
	641000	641100	641200	641300
	641400	641900	642000	650600
	650700	650800	650900	651100
	651200	651300	651400	651500
	651700	651800	651900	652400
	652500	652600	652700	
Essex County.....	204300	206000	206800	206900
	207000	207200	250100	250300
	250400	250500	250600	250700
	250900	251000	251100	251200
	251300	251500	251600	
Hampden County.....	800100	800600	800700	800800
	800900	801101	801102	801200
	801300	801401	801700	801800
	801900	802000	802200	802300
	810800	810901	811400	811500
	811600	811700	811800	812300
Hampshire County.....	820102	820400		
Middlesex County.....	302200	310100	310400	310800
	311000	311100	311900	312400
	352400	383100		
Norfolk County.....	417802			
Plymouth County.....	510900	511000		
Suffolk County.....	000602	010300	050200	050300
	050400	050700	060700	061000
	061100	070200	070400	071200
	080100	080300	080400	080500
	080600	080800	081000	081200
	081300	081700	082100	090300
	090400	091300	091700	091800
	092400	100100	101102	160200
	160400			
Worcester County.....	710500	710700	731201	731202
	731300	731400	731500	731600
	731700	731800	731900	732001

State and County or County Equivalent	Qualified Census Tracts			
MASSACHUSETTS (cont.)				
Worcester County (cont.).....	732400	732500	732600	732700
	757200	757300		
MICHIGAN				
Bay County .....	280100	280200		
Berrien County.....	000300	000400	000500	000600
	002100	002200	002300	
Calhoun County .....	000400	000600	000700	
Clare County .....	980100			
Genesee County .....	000200	000400	000700	000800
	001000	001100	001400	001500
	001700	001800	001900	002000
	002200	002300	002500	002600
	002800	003200	003400	003800
	010304	012202		
Gladwin County.....	990800			
Houghton County.....	990300			
Ingham County .....	000700	001300	001500	002000
	004200	004302	004402	
Jackson County .....	000200	000600	001100	
Kalamazoo County .....	000202	001504	001507	
Kent County .....	001400	002000	002600	002800
	003100	003600	003800	
Lake County.....	960600			
Marquette County .....	000500	002400		
Muskegon County.....	000200	000300	000500	000602
	001200	001300	001402	
Oakland County .....	141200	141700	142300	142500
	172400			
Ogemaw County .....	950700	950800		
Oscoda County.....	970300			
Roscommon County .....	970200	970800		
Saginaw County.....	000100	000200	000400	000600
	000700	000800	000900	001000
	001100	001300	001800	
St. Clair County.....	624000	625000		
St. Joseph County .....	040200			
Shiawassee County .....	030600			
Washtenaw County .....	400200	402200	410600	411000
	411100	411200		
Wayne County.....	500400	501700	503400	503600
	503700	503900	504100	504500
	504600	504700	504800	507400
	507600	507700	507800	508000
	510400	510500	510700	510800
	510900	511200	511600	512100
	512200	512300	512400	512600
	512900	513600	513900	514000
	514100	514300	514500	514600



State and County or County Equivalent	Qualified Census Tracts			
MICHIGAN (cont.)				
Wayne County (cont.).....	514700	514800	514900	515100
	515200	516100	516300	516600
	516800	517200	517600	517800
	518400	518500	518600	518800
	520100	520300	520400	520500
	520600	521300	521800	522100
	522200	522300	522400	523100
	523200	523500	523600	523700
	524000	524300	525100	525200
	525300	525400	525500	525700
	526000	526400	526500	530700
	530800	531100	531500	531600
	531700	531800	531900	532400
	532500	532700	533000	533100
	533300	533500	533600	533700
	534100	534500	537200	537800
	543500	543600	543700	543800
	543900	544200	545100	545200
	545300	545400	552100	552300
	553200	553300	553400	553800
	573500	584800	586000	
MINNESOTA				
Beltrami County.....	950800			
Hennepin County.....	002200	003300	003501	005901
	005902	006800	007301	007700
	007801	007802	007900	008300
	008400	101400	101500	101600
	102100	102800	102900	103400
	104100	104800	105400	105700
	106000	106900	107000	107100
	107200			
Itasca County.....	980200			
Mower County.....	000410			
Polk County.....	020200			
Ramsey County.....	030500	032700	032900	033100
	033700	040802		
St. Louis County.....	001300	001400	001600	001700
	001800	001900	002500	002800
	003200	012200		
Stearns County.....	000100			
MISSISSIPPI				
Adams County.....	000400			
Coahoma County.....	950600			
Forrest County.....	000100	000500		
Hinds County.....	001100	001800	002000	002700
	010801			

State and County or County Equivalent	Qualified Census Tracts			
<b>MISSISSIPPI (cont.)</b>				
Jackson County.....	041200			
Lauderdale County.....	000100	000400	000600	
Leflore County.....	950200	950800	950900	
Pike County.....	950300			
Washington County.....	000400	001100		
Yazoo County.....	950500			
<b>MISSOURI</b>				
Adair County.....	951000			
Boone County.....	000100	000401	000402	000500
	000800	000900		
Buchanan County.....	001000			
Butler County.....	950500	950700		
Cape Girardeau County.....	981400			
Clay County.....	020000			
Cole County.....	010100			
Dunklin County.....	960100			
Greene County.....	000100	000200	000500	000800
	001900	005500		
Hickory County.....	970300			
Howell County.....	990200	990700		
Jackson County.....	001400	001500	001600	001700
	002100	002200	002400	002900
	003200	003502	003602	005500
	005801	005901	006300	
Marion County.....	960800			
Oregon County.....	980100			
Pemiscot County.....	970200	970400		
St. Louis County.....	213900	214100		
Shannon County.....	970200			
St. Louis City.....	105400	106100	106200	106300
	106600	109700	110200	110500
	111200	111400	111500	112300
	116400	118100	119300	120100
	120300	121100	121200	121300
	122400	124100	124200	124600
	125700	126600	126700	
<b>MONTANA</b>				
Blaine County.....	940200			
Cascade County.....	000600			
Chouteau County.....	940100			
Daniels County.....	940200			
Sheridan County.....	940200	000300		
<b>NEBRASKA</b>				
Blaine County.....	972400			
Douglas County.....	000500	000700	000800	001100
	001200	001600	001900	005200

State and County or County Equivalent	Qualified Census Tracts			
NEBRASKA (cont.)				
Douglas County (cont.) .....	005300			
Lancaster County .....	000700	010302		
NEVADA				
Clark County .....	000400	000503	000504	000700
	000800	000900	001100	002204
	002404	002405	002406	002506
	002706	002955	004300	004400
	004707	004710	004713	
Elko County .....	940300			
Washoe County .....	000100	000900	001004	
NEW HAMPSHIRE				
Hillsborough County .....	001400	001500	001600	001900
	010700			
NEW JERSEY				
Atlantic County .....	000100	000400	001100	001400
	001500	001900	002300	002400
	002500			
Burlington County .....	701204	702101	702109	
Camden County .....	600100	600200	600300	600400
	600500	600700	600800	600900
	601000	601101	601102	601200
	601300	601400	601500	601600
	601700	601800	601900	602000
	605000	607701	608204	
Cape May County .....	020500	021400	021500	
Cumberland County .....	010200	020100	020200	020300
	020501	040100	040200	040500
Essex County .....	000200	000300	000700	000900
	001000	001300	001400	001500
	001600	001700	001800	001900
	002600	002700	002800	002900
	003000	003100	003400	003500
	003800	003900	004000	004100
	004200	004300	004600	004801
	004802	004900	005000	005300
	005400	005700	005800	006200
	006600	006700	006800	006900
	007501	007502	008000	008100
	008200	008600	008700	008800
	008900	009000	009100	009200
	009300	009600	009700	010600
	010900	011100	011300	013100
	013200	013300	018300	018400
	018600	022700	022800	
Gloucester County .....	501402			
Hudson County .....	000200	001202	001601	001700

State and County or County Equivalent	Qualified Census Tracts			
<b>NEW JERSEY (cont.)</b>				
Hudson County (cont.) .....	001800	003000	003100	003300
	004102	004200	004400	004600
	005100	005500	005801	015100
	015300	015500	015600	015900
	016000	016200	016300	016400
	016500	016600	016700	016800
	016900	017000	017200	017400
	017500	017600	017700	019000
	032400			
Mercer County .....	000800	000900	001000	001100
	001401	001402	001500	001600
	001700	001900	002000	
Middlesex County .....	004600	005300	005500	005600
	005800	005900		
Monmouth County .....	805600	805800	807003	807200
	807300	807600	809903	
Morris County .....	045601			
Ocean County .....	715200	715302	715402	720101
	720102	720103	722200	731201
	731202	731203	731204	731205
	731206			
Passaic County .....	125100	175200	175300	175400
	175500	175800	175900	180400
	180500	180700	180800	180900
	181200	181300	181400	181500
	181702	181800	182000	182200
	182300	182800	182900	183000
	183200			
Salem County .....	020300	022000	022100	
Union County .....	030200	030300	030400	030600
	030801	031000	031100	031200
	031901	039300		
<b>NEW MEXICO</b>				
Bernalillo County .....	000901	940300		
Cibola County .....	945900			
Curry County .....	000100			
Dona Ana County .....	001000	001704		
Lea County .....	000300			
Luna County .....	000600			
McKinley County .....	940200	943400		
Rio Arriba County .....	000600	943300		
Sandoval County .....	940900	943300		
San Juan County .....	942900			
Socorro County .....	946100			
<b>NEW YORK</b>				
Albany County .....	000200	000600	000800	002100
	002500	002600		

State and County or  
County Equivalent

Qualified Census Tracts

NEW YORK (cont.)

Bronx County.....	001500	001700	002000	002300
	002500	002701	002702	003100
	003300	003500	003700	003900
	004100	004300	004400	004600
	004700	004800	004900	005000
	005200	005302	005400	005600
	005800	005901	006000	006200
	006500	006600	006700	006900
	007300	007500	007700	007900
	008300	008500	008600	008700
	008900	009100	009900	010500
	011000	011501	011502	011900
	012101	012102	012300	012701
	012901	012902	013100	013300
	013500	013700	013900	014100
	014300	014500	014700	014900
	015100	015300	015500	015700
	016100	016500	016700	016900
	017300	017500	017700	017900
	018100	018900	019300	019500
	019600	019700	019900	020100
	020500	021100	021301	021302
	021501	021502	021701	021702
	021900	022000	022100	022300
	022500	022701	022702	022901
	022902	023100	023301	023302
	023501	023502	023701	023702
	023900	024100	024200	024300
	024500	025300	025500	026300
	026500	026700	027101	027700
	032400	033400	035900	036100
	036300	036501	036502	036700
	036901	036902	037100	037300
	037400	037501	037502	037503
	037700	037900	038100	038300
	038500	038700	038900	039100
	039300	039700	039901	039902
	040100	040302	040500	040701
	041900	042500	045800	
Broome County.....	000300	000500	000600	001100
	001200	001300	013500	013900
Cattaraugus County.....	940000	940200	961700	
Chautauqua County.....	030300	030500	940000	
Chemung County.....	000100	000700	000800	001000
Clinton County.....	101600			
Columbia County.....	991200			
Dutchess County.....	220300	220400	220700	
Erie County.....	000300	000400	000500	001302
	001402	001500	001600	001800



State and County or  
County Equivalent

Qualified Census Tracts

NEW YORK (cont.)

Erie County (cont.) .....	002000	002502	002600	002701
	002702	002800	002900	003100
	003201	003202	003301	003302
	003400	003500	003600	003700
	003901	004002	004402	005600
	006000	006100	006900	007000
	007101	007102	008300	012100
	016100	940000		
Fulton County .....	990800			
Genesee County .....	940100			
Herkimer County .....	010600			
Jefferson County .....	062100			
Kings County .....	001100	001800	002000	002300
	002500	002901	003700	005900
	008500	009000	010400	011200
	012700	018501	022500	022600
	022800	023500	023900	024100
	025500	025901	025902	026100
	027700	028100	028300	028502
	028700	030300	030700	031100
	031300	032600	033000	033100
	034000	034200	034300	034700
	034802	035200	035300	035700
	035900	036002	036100	036200
	036300	036900	038100	038200
	038900	039100	039500	039700
	039900	040100	040900	041100
	041300	041500	041700	041900
	042100	042300	042500	042700
	042900	043100	043300	043900
	044100	044300	044700	045300
	046500	048900	049300	050800
	050900	051600	052300	052500
	052700	052900	053100	053300
	053500	053700	053900	054500
	054700	057200	057900	089000
	089200	090000	090200	090600
	090800	091000	091200	091400
	091600	094402	098200	103400
	110600	111000	111400	112000
	112600	113000	113200	113400
	113600	113800	114000	114800
	115000	115200	115400	115600
	118800	119000	119400	121000
	121400			
Monroe County .....	000200	000700	001300	001500
	002200	002300	002400	002700
	003200	003900	004000	004100
	004602	004800	004900	005000

State and County or County Equivalent	Qualified Census Tracts			
NEW YORK (cont.)				
Monroe County (cont.).....	005100	005200	005300	005500
	005600	005700	005900	006400
	006500	006600	006900	007900
	008000	008900	009200	009301
	009302	009400	009601	009602
	009603	009604		
Montgomery County.....	070900			
New York County.....	000201	000600	000800	001002
	001600	001800	002000	002400
	002500	002900	004100	011700
	015602	016200	016400	016600
	017201	017202	017401	017800
	018000	018200	018400	018600
	018800	019000	019200	019400
	019600	020200	020400	020901
	020902	021301	021302	021702
	021900	022200	022301	022400
	022600	022702	022900	023000
	023102	023200	023300	023400
	023501	023502	023900	024301
	024302	024500	024900	025100
	026100	026700	026900	027700
	028300	028500	028900	029100
	029300			
Niagara County.....	020200	020600	020900	021100
	021200	021300		
Oneida County.....	020100	020300	020701	020802
	020803	020900	021000	021101
	021201	021404	021500	021800
	022000	022600		
Onondaga County.....	000500	001300	001400	001600
	002000	002100	002200	002300
	002400	003000	003200	003400
	003500	003900	004000	004200
	004300	005200	005300	005400
	005500	005602	005800	006101
Ontario County.....	051800			
Orange County.....	000400	000500	001700	015001
	015002			
Queens County.....	002500	002900	003700	004300
	008700	010700	024800	025000
	026000	054500	054900	086500
	087100	095200	097201	097202
	122702	156700		
Rensselaer County.....	040400			
Richmond County.....	002900	013301	018500	
Rockland County.....	011503			
St. Lawrence County.....	991100			

State and County or County Equivalent	Qualified Census Tracts			
<b>NEW YORK (cont.)</b>				
Schenectady County .....	020800	020900	021001	021002
	021400	021500	021700	
Warren County .....	070200			
Westchester County .....	000103	000500	001000	001101
	003100			
<b>NORTH CAROLINA</b>				
Buncombe County .....	000100	000200	000900	
Cumberland County .....	000200	001000	001300	
Davidson County .....	061400			
Durham County .....	000500	000900	001100	001201
	001202	001400	001501	
Edgecombe County .....	020100			
Forsyth County .....	000400	000500	000700	000801
	000802	001602		
Gaston County .....	031900			
Guilford County .....	011000	011101	011400	013900
	014408			
Lee County .....	030300			
Lenoir County .....	010300	010400	010500	
Mecklenburg County .....	000600	000700	002300	003700
	003901	004500	004700	005000
	005100	005200		
Nash County .....	010100			
New Hanover County .....	011000	011100	011400	
Onslow County .....	000800	000900	001900	002000
Orange County .....	011600			
Pasquotank County .....	960300			
Pitt County .....	000701	000702		
Robeson County .....	960800			
Surry County .....	990400			
Vance County .....	960600	960700		
Wake County .....	050800	050900	051100	052405
Wayne County .....	001600	001700	001800	
Wilson County .....	000200	000801		
<b>NORTH DAKOTA</b>				
Grand Forks County .....	010300			
Mercer County .....	940300			
Sioux County .....	940100	940200		
Ward County .....	940300			
<b>OHIO</b>				
Allen County .....	012500	012800	012900	013400
	013600	013700	013800	
Athens County .....	973101	973102		
Belmont County .....	011500	011600	012100	
Butler County .....	000300	000400	000702	010104
	012900			

State and County or County Equivalent	Qualified Census Tracts			
OHIO (cont.)				
Clark County.....	000100	000200	000901	
Columbiana County.....	952100			
Cuyahoga County.....	101200	101800	102600	102700
	102800	103100	103300	103400
	103500	103800	103900	104100
	104200	104400	104500	104600
	104701	104800	104900	105100
	106400	107200	107500	107700
	107900	108200	108300	108400
	108600	108700	108800	108900
	109300	109600	109700	109800
	110500	110800	111100	111200
	111300	111401	111402	111500
	111600	111700	111800	111901
	111902	112100	112200	112400
	112600	112700	112900	113100
	113200	113300	113500	113600
	113700	113800	113900	114100
	114200	114300	114400	114500
	114600	114700	114800	114900
	115200	115300	115500	116100
	116500	116600	116700	116800
	116900	117300	118601	118602
	118700	119202	119300	119402
	119502	119600	119702	119800
	119900	120100	120200	120802
	121300	121401	121600	150300
	150400	151400	151500	151800
Fairfield County.....	031700			
Franklin County.....	000720	000730	000910	000920
	001110	001200	001300	001400
	001500	001600	001700	001810
	002300	002600	002710	002800
	002900	003000	003600	004200
	005000	005100	005300	005410
	005610	006000	006100	007410
	009326	009331		
Guernsey County.....	977600			
Hamilton County.....	000200	000301	000302	000900
	001000	001100	001500	001600
	001700	002100	002300	002800
	003200	003400	003500	003600
	003700	003800	004702	006700
	007400	007700	008000	008502
	008601	008700	008900	009100
	010002			
Jefferson County.....	000200	000800	000900	
Lawrence County.....	050600			
Licking County.....	750100			

State and County or County Equivalent	Qualified Census Tracts			
OHIO (cont.)				
Lorain County .....	070800			
Lucas County .....	000800	001202	001700	001800
	002200	002300	002500	002700
	002900	003000	003300	003400
	003500	003600	003700	003800
	004100	004200	004301	005100
	005400			
Mahoning County .....	800200	800500	800600	800700
	800900	801000	801600	801700
	801900	802000	802100	802200
	802300	802400	803100	803400
	803500	803700	804400	810300
Montgomery County .....	000300	001200	001700	002200
	002300	003500	003600	003700
	004000	004100	004300	060200
	070201			
Muskingum County .....	981900			
Portage County .....	601502			
Richland County .....	000100	000200	000300	000600
	000700			
Ross County .....	956500			
Scioto County .....	993500	993600		
Stark County .....	700100	700500	701800	702300
	710400	713800		
Summit County .....	501100	501200	501301	501302
	501700	501800	502500	503400
	504200	504400	505300	505600
	506700	506800	506900	507400
	510100			
Trumbull County .....	920100	920500	920600	920800
	932400			
Washington County .....	020500			
Wood County .....	021800			
OKLAHOMA				
Bryan County .....	996400			
Canadian County .....	300400			
Cleveland County .....	201201			
Comanche County .....	001200	001300	001700	
Grady County .....	000100			
Jackson County .....	968700			
Muskogee County .....	000600			
Oklahoma County .....	102500	102600	102800	102900
	103000	103500	103602	103700
	103800	103900	104100	104200
	104700	105400	105600	105800
Payne County .....	010400	010500		
Pittsburg County .....	986300			
Pontotoc County .....	989100			



State and County or County Equivalent	Qualified Census Tracts			
<b>OKLAHOMA (cont.)</b>				
Pottawatomie County.....	500200			
Tulsa County.....	000500	000600	001300	002100
	004600	008001		
<b>OREGON</b>				
Jackson County.....	000100	000202		
Josephine County.....	360701			
Klamath County.....	971600			
Lane County.....	003800			
Malheur County.....	970400			
Multnomah County.....	003301	003402		
<b>PENNSYLVANIA</b>				
Allegheny County.....	010300	020300	040600	050100
	050700	050900	051000	051100
	101600	101700	111500	120300
	120400	120800	130100	130300
	130400	150400	160400	160600
	192100	220400	250300	250700
	250900	260900	280800	464400
	486700	486900	505000	512900
	513800	514000	551900	552100
	560400	561000	561100	
Beaver County.....	604500			
Berks County.....	000100	000200	001200	002200
	002300	002500	002600	
Blair County.....	100700	101900		
Cambria County.....	000100	000200	000300	000800
	000900	001000	001100	001300
	001400			
Centre County.....	012100	012500		
Clinton County.....	970600			
Dauphin County.....	020600	020700	021300	021400
Delaware County.....	405200	405800		
Erie County.....	000100	000700	000800	001200
	001300	001400	001500	001800
Fayette County.....	262300			
Lackawanna County.....	100200			
Lancaster County.....	000100	000800	000900	001400
	001500	001600		
Lawrence County.....	000400	000600	000900	
Lebanon County.....	000300			
Lehigh County.....	000800	000900	001000	001100
	001200	001300		
Luzerne County.....	201000	214100	217400	
Lycoming County.....	000400	000800		
Mercer County.....	030200	030600	030700	030800
Northampton County.....	010500			
Northumberland County.....	961700			

State and County or County Equivalent	Qualified Census Tracts			
<b>PENNSYLVANIA (cont.)</b>				
Philadelphia County.....	000200	001900	002000	002100
	002800	003000	003100	003200
	003400	003500	003600	004600
	005100	005600	006600	006700
	006900	007400	007700	008900
	009200	009300	009500	010200
	010500	010600	010700	010800
	010900	012700	013100	013800
	013900	014000	014100	014500
	014700	014800	015100	015200
	015300	015500	015700	016100
	016200	016300	016400	016500
	016600	016700	016800	016901
	017100	017200	017400	017500
	017601	017602	017700	017800
	018200	018900	019000	019200
	019300	019400	019500	019600
	019700	019800	019900	020300
	020500	024100	024500	024600
	028700	028800	029300	032200
Venango County.....	200700			
Washington County.....	704100			
Westmoreland County.....	800100	800700		
York County.....	000200	000300	000700	001000
	001100	001500	001600	
<b>RHODE ISLAND</b>				
Newport County.....	041200			
Providence County.....	000200	000300	000500	000600
	000700	000900	001000	001200
	001300	001400	001700	001900
	002000	002200	002500	002600
	002700	010800	011100	015100
	015200	015300	015400	016600
	018000	018100		
<b>SOUTH CAROLINA</b>				
Charleston County.....	000900	001000	001100	001300
	001400	003300	003400	003600
	003700	004300	004500	
Darlington County.....	010700			
Florence County.....	000700			
Greenville County.....	000800	000900	002108	002303
	002304			
Lancaster County.....	010700			
Orangeburg County.....	011200	011300		
Richland County.....	000500	000900	001000	001300
	001400	002002	002800	010900
Spartanburg County.....	020301	020400	020500	020800

State and County or County Equivalent	Qualified Census Tracts			
<b>SOUTH CAROLINA (cont.)</b>				
Spartanburg County (cont.) .....	021001			
Sumter County .....	000897	000898	001500	
<b>SOUTH DAKOTA</b>				
Bennett County .....	940600	940800		
Buffalo County .....	940100			
Corson County .....	940500	940700	940800	940900
Dewey County .....	941600			
Jackson County .....	940100	940200		
Lyman County.....	940100			
Shannon County.....	940300	940400	940600	940700
Todd County .....	940100	940200		
Ziebach County.....	941200	941400	941500	
<b>TENNESSEE</b>				
Anderson County .....	020700			
Bradley County .....	010400	010700		
Campbell County .....	950300			
Claiborne County.....	970400			
Coffee County.....	970900			
Davidson County .....	011800	012400	012500	013600
	013900	014000	014200	014300
	014400	014800	016200	
Hamblen County .....	100300	000300	001200	001500
	001600	001900	002000	
Hancock County .....	960100	960300		
Knox County.....	000200	000400	000600	000700
	001200	001300	001400	002400
	002800			
Madison County.....	000500	000800	001000	001100
Montgomery County.....	100400	100900		
Scott County .....	975300			
Shelby County.....	000200	000300	000400	000500
	000800	000900	001800	001900
	002000	002100	002200	002300
	002400	002800	003700	003800
	004000	004100	004400	004500
	004600	004700	004800	004900
	005000	005100	005400	005700
	005800	005900	006000	006700
	007810	008110	008400	010300
	010420	022022		
Washington County.....	060700	060900		
<b>TEXAS</b>				
Bee County .....	950500			
Bell County.....	020702	020900	022600	022801
	022900	023500		
Bexar County .....	110200	110500	110600	110700

State and County or County Equivalent	Qualified Census Tracts			
TEXAS (cont.)				
Bexar County (cont.) .....	110800	110900	111000	130100
	130300	130500	130600	130700
	141000	150300	150800	160100
	160900	170101	170102	170200
	170300	170401	170900	171000
	171200	181003	191004	
Bowie County .....	010500	010600		
Brazos County .....	001400			
Brewster County .....	950400			
Brooks County .....	950200			
Brown County .....	950600	950700		
Cameron County .....	010500	010900	011000	011100
	011600	011700	011903	012200
	012303	012304	012507	012604
	012609	012610	012700	013203
	013207	013208	013305	013306
	013307	013308	013309	013401
	013402	013700	013801	013802
	013901	013902	013903	014001
	014002			
Cherokee County .....	950400	950500	950700	
Dallas County .....	000405	001503	002000	002701
	002702	002900	003400	003500
	003800	003901	003902	004000
	004100	004800	007201	007202
	008603	008604	008703	008704
	008900	009304	009804	010200
	010400	011401	011500	012208
	019013	019209		
Dimmit County .....	950100			
Ector County .....	001100	001200	001500	001800
	001900	002000		
El Paso County .....	000301	000302	000404	000800
	000900	001203	001400	001600
	001700	001800	001900	002000
	002100	002201	002202	002600
	002800	002900	003000	003200
	003602	003701	003702	003901
	003903	004105	010102	010208
	010309	010319	010403	010404
	010501	010502	010503	010504
Falls County .....	990400			
Frio County .....	950300			
Galveston County .....	724000	724600		
Gray County .....	950600	950800		
Gregg County .....	001400			
Grimes County .....	180104			
Hale County .....	950200			
Harris County .....	210400	210800	210900	211000

State and County or County Equivalent	Qualified Census Tracts			
TEXAS (cont.)				
Harris County (cont.).....	211100	211200	211300	211400
	211700	220500	220800	220900
	222600	222700	230300	230400
	230700	230900	231000	233600
	240500	310200	310500	310900
	311600	312200	312300	312400
	312800	313500	313600	321500
	322000	331200	331400	332100
	420100	420500	421200	421400
	421500	421600	422200	423100
	433100	433500	453100	533300
Hidalgo County.....	020100	020202	020501	020503
	020600	020723	021100	021301
	021302	021303	021500	021600
	021801	021802	021901	021902
	022002	022101	022102	022202
	022501	022502	022600	022702
	022800	023000	023101	023102
	023503	023506	023508	023700
	024101	024102	024103	024104
	024105	024201	024202	024301
	024302	024401	024402	024500
	024600			
Hill County .....	960900	961000		
Hockley County .....	950400			
Howard County.....	950300			
Hudspeth County .....	950100			
Jefferson County .....	000600	000700	000900	005300
	005900	006100	006300	
Jim Wells County.....	950500			
Kleberg County.....	020200			
Lamar County .....	000600			
Lamb County .....	950500			
La Salle County .....	950100	950200		
Limestone County.....	970400			
Lubbock County .....	000202	000301	000500	000603
	000605	000607	001000	001200
	002400			
McLennan County .....	000400	000598	001100	001200
	001400	001500	001900	003300
Maverick County .....	950100	950201	950202	950203
	950500	950601	950602	
Midland County .....	000900	001400	001600	001700
Montgomery County.....	693400			
Nacogdoches County .....	950700	950900		
Nolan County.....	950300			
Nueces County.....	000400	000500	000900	001000
	001100	001200	001300	001500
	001601	005602		



State and County or County Equivalent	Qualified Census Tracts			
TEXAS (cont.)				
Potter County .....	010600	012000	012200	012800
	013000	014600	014800	
Presidio County.....	950200			
Reeves County .....	950100	950200	950300	950500
Smith County .....	000202	000300	000400	000700
Starr County .....	950102	950103	950201	950202
	950400	950500	950600	950701
	950702			
Tarrant County .....	100300	101000	101100	101600
	101700	102500	103100	103500
	103601	103701	103800	103900
	104000	104604	106516	122200
Taylor County .....	010700	010800	011700	011900
Terry County .....	950300			
Titus County.....	950600	950700		
Tom Green County .....	000500	000700	000900	
Travis County.....	000604	000802	000804	001000
	002311	002316		
Val Verde County.....	950601	950602		
Walker County .....	790600			
Webb County .....	000103	000104	000300	000400
	000500	000600	000700	000902
	001002	001200	001300	001801
	001804	001805		
Wharton County.....	740300			
Wichita County .....	010100	010400	011100	011300
Willacy County .....	950300	950700		
Zapata County.....	950200			
Zavala County.....	950100	950200	950301	950302
UTAH				
Cache County.....	000702	000800		
Davis County .....	125600			
Salt Lake County .....	100302	101400	102100	102400
	111500			
San Juan County.....	942000	942100		
Utah County .....	001601	001602	001603	001801
	001802	001803	001900	002300
	002400	002500	002800	
Wasatch County .....	940300			
Weber County .....	200900	201200	201800	201900
VERMONT				
Chittenden County .....	000400			
VIRGINIA				
Albemarle County.....	010902			
Amherst County.....	010502			
Buchanan County.....	990100	990200	990300	990700

State and County or County Equivalent	Qualified Census Tracts			
VIRGINIA (cont.)				
Chesterfield County .....	100406			
Dickenson County.....	990100	990200	990300	990400
Halifax County.....	990100			
Henrico County.....	200805			
James City County.....	080102			
Lee County.....	990100	990500	990600	
Prince William County.....	900903			
Russell County.....	990100	990600		
Scott County.....	030200	030300		
Smyth County.....	990600			
Tazewell County.....	990500	991000		
Wise County.....	991100	991500		
York County.....	050500			
Bristol City.....	020100	020300		
Chesapeake City.....	020100	020502		
Danville City.....	000300	000400	000500	000600
	001000	001300		
Franklin City.....	090200			
Hampton City.....	010502	010602	011400	
Hopewell City.....	820300	820700		
Lynchburg City.....	000203	000400	000600	000700
	001200	001300	001400	
Martinsville City.....	000200	000400		
Newport News City.....	030100	030400	030600	030800
	030900	032300		
Norfolk City.....	000900	001100	001300	001600
	002500	002600	002700	002900
	003501	003502	004100	004200
	004300	004400	004600	004700
	004800	005000	005200	005300
	005901	006501	006502	007001
Petersburg City.....	810100	810200	810600	810700
	810800			
Portsmouth City.....	210500	211400	211800	211900
	212000	212100	212400	212600
	213101			
Richmond City.....	010300	010900	011000	020100
	020200	020400	020700	021000
	030100	030200	030500	060100
	060200	060300	060400	060700
	060800	060900	070600	
Roanoke City.....	000200	000700	000800	000900
	001000	001300	001400	
Suffolk City.....	065100	065400	065500	
Virginia Beach City.....	040600	043200	045810	
Waynesboro City.....	003100	003300		
WASHINGTON				
Adams County.....	950400			

State and County or County Equivalent	Qualified Census Tracts			
WASHINGTON (cont.)				
Asotin County .....	980400			
Benton County .....	011200	012000		
Clark County .....	041005	041600	041700	042400
	042700			
Cowlitz County .....	000300	000502	001000	
Franklin County .....	020100	020200		
Grays Harbor County .....	000100			
Island County .....	970200	970900		
King County .....	005301	007300	008500	009100
	009200	026500	029004	030501
Kitsap County .....	080500	080800	090300	
Okanogan County .....	970200			
Pierce County .....	061400	061602	062200	062801
	071703	071704	071805	071806
	072000	072904		
Snohomish County .....	040200	040700	041904	
Spokane County .....	000200	000400	001400	001600
	002300	002400	002600	003000
	003300	003500	003600	011101
	013800			
Stevens County .....	951000			
Walla Walla County .....	920500			
Whitman County .....	000500	000600		
Yakima County .....	000100	000200	000600	001500
	002001	002300	002500	002701
WEST VIRGINIA				
Cabell County .....	000500	000600		
Kanawha County .....	000900			
McDowell County .....	953600	953900		
Ohio County .....	000100	000700	000800	
WISCONSIN				
Dane County .....	001100	001601	001602	003200
Douglas County .....	020100	020200		
La Crosse County .....	000200	000400		
Milwaukee County .....	001100	001200	002000	002100
	002500	002800	004000	004400
	004600	004700	006300	006400
	006500	006600	006700	006800
	006900	007000	007900	008000
	008100	008200	008300	008400
	008500	008600	008700	008800
	008900	009000	009100	009600
	009700	009800	009900	010000
	010100	010200	010300	010400
	010500	010600	010700	011500
	011600	011700	011800	012000
	012200	012300	013400	013500

State and County or County Equivalent	Qualified Census Tracts			
<b>WISCONSIN (cont.)</b>				
Milwaukee County (cont.).....	013600	013700	013800	014000
	014100	014600	014700	014800
	014900	015000	015400	015600
	015700	015800	016300	016400
	016500	016600	016700	016800
	016900	017400	017500	017600
	017700	017800	018800	
Racine County.....	000400	000500		
<b>WYOMING</b>				
Albany County.....	963500			
Natrona County.....	000200			
<b>PUERTO RICO</b>				
Cataño Municipio .....	020404			
Lofza Municipio .....	110101	110400		
Mayaguez Municipio .....	081200			
Orocovis Municipio .....	954902			
Ponce Municipio .....	070400	070800	071300	
San Juan Municipio .....	001300	003501	004400	004800
	005402	008201		
Yauco Municipio.....	750101			

## SECTION 4. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 93-38 is obsolete except as provided in section 5 of this revenue procedure.

## SECTION 5. EFFECTIVE DATE

.01 An issuer may rely on the list of qualified census tracts contained in this revenue procedure with respect to a commitment to provide financing if, in the case of a commitment made on or before the date of purchase of the residence, the commitment is made during the period specified in this section 5.01 or, in the case of a commitment made after the purchase date, the residence was purchased during the period specified in this section 5.01. The period begins January 27, 2003, the date of publication of this revenue procedure in the Internal Revenue Bulletin, and ends on the date as of which the list of qualified census tracts is rendered obsolete by a new revenue procedure.

.02 Notwithstanding section 5.01 of this revenue procedure, issuers may continue to rely on the list of qualified census tracts contained in Rev. Proc. 93-38 for mortgages financed with proceeds of bonds that were sold or for certificates that were issued with respect to bond authority that was exchanged, on or before April 27, 2003, the date that is 3 months after publication of this revenue procedure in the Internal Revenue Bulletin, if the commitments to provide financing for the mortgages or to issue certificates are made on or before June 27, 2003, the date that is 5 months after publication of this revenue procedure in the Internal Revenue Bulletin.

## SECTION 6. DRAFTING INFORMATION

The principal authors of this revenue procedure are Laura Waugh and Timothy Jones of the Office of Chief Counsel. For further information regarding this revenue procedure, contact Laura Waugh at (202) 622-3890 (not a toll-free call).

26 CFR 601.201: Rulings and determination letters. (Also, Part I, §§ 402 and 408.)

## Rev. Proc. 2003-16

### SECTION 1. PURPOSE

This revenue procedure provides guidance on applying to the Internal Revenue Service for a waiver of the 60-day rollover requirement contained in §§ 402(c)(3) and 408(d)(3) of the Internal Revenue Code. It also provides for an automatic waiver under certain circumstances.

### SECTION 2. BACKGROUND AND GENERAL INFORMATION

.01 Section 401(a)(31) of the Code requires that a qualified trust provide for the direct transfer of eligible rollover distributions. A similar rule applies to § 403(a) annuity plans, § 403(b) tax-sheltered annuities and § 457 eligible governmental plans. (See §§ 403(a)(1), 403(b)(10) and 457(d)(1)(C).) If a distributee fails to elect to have an eligible rollover distribution paid directly to an eligible retirement plan, section 3405(c) provides that the payor of a designated distribution that is an eligible rollover distribution must withhold from such distribution an amount equal to 20 percent of such distribution.

.02 Sections 402(c)(3) and 408(d)(3) of the Code require generally that any amount distributed from a qualified trust or individual retirement plan must be transferred to an eligible retirement plan no later than the 60th day following the day of receipt in order to avoid inclusion in the distributee's gross income. A similar rule applies to § 403(a) annuity plans, § 403(b) tax-sheltered annuities and § 457 eligible governmental plans. (See §§ 403(a)(4)(B), 403(b)(8)(B) and 457(e)(16)(B).)

.03 Section 72(t) of the Code imposes an additional tax on a distribution from a qualified retirement plan equal to 10-percent of the amount of the distribution included in the distributee's gross income, subject to certain exceptions.

.04 Section 644 of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), Pub. L. 107-16, amended § 402(c)(3) of the Code and added new § 408(d)(3)(I) to permit the Secretary to waive the 60-day rollover requirement "where the failure to waive such requirement would be against equity or good con-

science, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement." The Conference Report to EGTRRA provides examples of situations that may justify waiver of the 60-day rollover requirement, such as during a period in which a distribution in the form of a check was not cashed, or for errors committed by a financial institution, or in cases of inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country or postal error. (H.R. Rep. No. 84, 107th Cong., 1st Sess. 252 (2001).) The amendments made by § 644 of EGTRRA apply to distributions after December 31, 2001.

.05 Under §§ 7508 and 7508A of the Code, the time for making a rollover may be postponed in the event of service in a combat zone or in the case of a Presidentially declared disaster or a terroristic or military action. See Regulations § 301.7508-1 and Rev. Proc. 2002-71, 2002-46 I.R.B. 850.

.06 Rev. Proc. 2003-4, 2003-1 I.R.B. 123 (January 6, 2003), provides the procedures for issuing letter rulings, information letters, etc., on matters under the jurisdiction of the Commissioner, Tax Exempt and Government Entities Division.

.07 Rev. Proc. 2003-8, 2003-1 I.R.B. 236 (January 6, 2003), provides guidance for complying with the user-fee program as it pertains to requests for letter rulings, information letters, etc., on matters under the jurisdiction of the Commissioner, Tax Exempt and Government Entities Division.

### SECTION 3. REQUIREMENTS FOR HARDSHIP EXCEPTION TO 60-DAY RULE

.01 *Application to the Service.* Except as provided in Section 3.03 below, a taxpayer must apply for a hardship exception to the 60-day rollover requirement using the same procedure as that outlined in Rev. Proc. 2003-4 for letter rulings, accompanied by the user fee set forth in Rev. Proc. 2003-8.

.02 *Requirements for favorable ruling.* The Service will issue a ruling waiving the 60-day rollover requirement in cases where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster or other events beyond the reasonable control of the taxpayer. In determining whether to grant a waiver, the Service will consider all relevant facts

and circumstances, including: (1) errors committed by a financial institution, other than as described in Section 3.03 below; (2) inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country or postal error; (3) the use of the amount distributed (for example, in the case of payment by check, whether the check was cashed); and (4) the time elapsed since the distribution occurred.

.03 *Automatic approval.* No application to the Service is required if a financial institution receives funds on behalf of a taxpayer prior to the expiration of the 60-day rollover period, the taxpayer follows all procedures required by the financial institution for depositing the funds into an eligible retirement plan within the 60-day period (including giving instructions to deposit the funds into an eligible retirement plan) and, solely due to an error on the part of the financial institution, the funds are not deposited into an eligible retirement plan within the 60-day rollover period. Auto-

matic approval is granted only: (1) if the funds are deposited into an eligible retirement plan within 1 year from the beginning of the 60-day rollover period; and (2) if the financial institution had deposited the funds as instructed, it would have been a valid rollover.

.04 *General rules.* To be eligible for a waiver of the 60-day rollover period, either automatic or through application to the Service, the distribution must have occurred after December 31, 2001, and the rules regarding the amount of money or other property that can be rolled over into an eligible retirement plan within the 60-day rollover period (including § 402(c)(6) relating to sales of distributed property) apply to deposits made pursuant to a waiver of the 60-day rollover period (thus, if a taxpayer received \$6,000 in cash from the taxpayer's IRA, the most that could be deposited into an eligible retirement plan pursuant to a waiver of the 60-day rollover period is \$6,000). Also, the rules for waiver of the 60-day rollover period in this

revenue procedure apply to distributions from an individual retirement plan described in § 408(a) or (b), a plan qualified under § 401(a), a § 403(a) annuity plan, a § 403(b) tax-sheltered annuity and a § 457 eligible governmental plan.

#### **SECTION 4. EFFECTIVE DATE**

This revenue procedure is effective on January 27, 2003.

#### **DRAFTING INFORMATION**

The principal author of this revenue procedure is Roger Kuehnle of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this revenue procedure, please contact Employee Plans' taxpayer assistance telephone service at 1-877-829-5500 (a toll-free number), between the hours of 8:00 a.m. and 6:30 p.m. Eastern Time, Monday through Friday.

## Part IV. Items of General Interest

### Qualified List of Neutrals for Arbitration Under Rev. Proc. 2002-67

#### Announcement 2003-3

The Internal Revenue Service has selected thirty individuals to serve as qualified neutrals available to taxpayers for arbitration under the provisions of Rev. Proc. 2002-67, 2002-43 I.R.B. 733.

#### BACKGROUND

The settlement initiative in Rev. Proc. 2002-67 prescribes two optional settlement methodologies for resolving cases involving Contingent Liability Transactions that are the same as or substantially similar to those described in Notice 2001-17, 2001-1 C.B. 730. Section 6 of Rev. Proc. 2002-67 provides that eligible taxpayers who have chosen the second settlement methodology, called Fast Track Dispute Resolution Procedure—Contingent Liability Cases, are obligated to proceed to binding arbitration to resolve any issues not resolved during the accelerated settlement negotiations. Section 7.05 of Rev. Proc. 2002-67 states that the Service will develop a qualified list of neutrals available to serve as arbitrators. Taxpayers entering into binding arbitration are required to select three candidates from the qualified list and rank them in order of preference. The Administrator of the arbitration process will then arrange for the hiring of one of the candidates chosen by the taxpayer, based on availability and order of preference.

#### QUALIFIED LIST OF NEUTRALS

Working closely with the American Arbitration Association, the Internal Revenue Service has determined that the qualified list of neutrals, as described in Section 7.05 of Rev. Proc. 2002-67 shall consist of the following individuals:

Scott Adams of Scott G. Adams, Esq., P.C., East Boothbay, Maine  
Loretta Argrett of Howard Law School, Washington, D.C.  
Jerald Beer of Boose, Casey, Ciklin, Lubitz, Martens, McBane & O'Connell, West Palm Beach, Florida  
Iris June Brown of Rogin, Nassau, Caplan, Lassman & Hirtle, LLC, Hartford, Connecticut  
James E. Bye of Holme Roberts & Owen, Denver, Colorado  
William Chandler of Urbach Kahn & Werlin Advisors, Inc., New York, New York  
William Cooney of the Cooney Law Firm, Augusta, Georgia  
Michael S. Feldman of Michael S. Feldman, P.C., Farmington Hills, Michigan  
Ronald Fiedelman of Philip Vogel & Co., P.C., Dallas, Texas  
Charles Froehlich, Jr. of the Charles W. Froehlich Corp., San Diego, California  
Robert Glaser of Arter & Hadden (retired), Cleveland, Ohio  
Larry Ray Green of Charlotte, North Carolina, Self-employed  
Daniel Gulden of Atlanta, Georgia, Self-employed  
Paul Gutterman of the University of Minnesota, Minneapolis, Minnesota  
Robert S. Haft of Mercedes Medical, Inc., Sarasota, Florida  
Stewart Hancock, Jr. of Hancock & Estabrook, LLP, Syracuse, New York  
Lawrence Kaplan of Solomon, Ward, Seidenwurm & Smith, LLP, San Diego, California  
Gordon Klein of the University of California at Los Angeles, Calabasas, California  
Donald Korb of Thompson Hine LLP, Cleveland, Ohio  
Bruce Lane of Nixon Peabody, LLP, Washington, D.C.

Robert Lord of Berens, Kozub & Lord PLC, Scottsdale, Arizona  
Julie McGuire of Hull McGuire, P.C., Pittsburgh, Pennsylvania  
Hugh Morgan of Morgan & Associates, Inc., Cleveland, Ohio  
Michael O'Brien of Leonard, O'Brien, Wilford, Spencer & Gale, Ltd., St. Paul, Minnesota  
Michele O'Brien of the Law Office of Michele O'Brien, P.C., Houston, Texas  
William Raby of the Raby Law Office, Tempe, Arizona  
Rufus Rhoades of Los Angeles, California, Self-employed  
Gregory Rockwell of Bellevue, Washington, Self-employed  
Albert Sturtevant of Washington, D.C., Self-employed  
Bruno Tassone of Chicago, Illinois, Self-employed

#### CONTACT INFORMATION

For information regarding this announcement, including further information about the selected neutrals, call Jo Ann Prager, Manager at (202) 283-8445 (not a toll-free call) or Sandy Cohen, Appeals Program Analyst at (202) 694-1818 (not a toll-free call). Ms. Prager may also be reached by fax at (202) 283-8406, electronically at [otsa@irs.gov](mailto:otsa@irs.gov), or by mail at Office of Tax Shelter Analysis ("OTSA"), LM:PFTG: OTSA, Attn: 351, 1111 Constitution Ave., N.W., Washington, DC 20224. Please include "Revenue Procedure 2002-67" in the subject line of any electronic communication.



# 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 law 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 the 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.—Statements 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.  
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Z—Corporation.

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<sup>1</sup> A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2002–26 through 2002–52 is in Internal Revenue Bulletin 2003–1, dated January 6, 2003.

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