

# Federal Tax Weekly

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## IRS Sets Distribution Timetable For Stimulus Payments; Controversy Develops Over Outreach

◆ IR-2008-38, IR-2008-44

**R**ebates under the *Economic Stimulus Act of 2008* will be electronically deposited into bank accounts starting May 2 and paper checks will be in the mail starting May 16, the IRS has announced. Electronic deposits and paper checks will be distributed based on the last two digits of recipients' Social Security numbers. At the same time, the IRS is defending itself against criticism from Congress that it is spending too much money to educate taxpayers about the rebates.

■ **CCH Take Away.** The IRS is using the same distribution method for the 2008 rebates that it did for rebates issued in 2001, with one important difference. Seven years ago, the IRS only sent paper rebate checks to recipients. This year, the IRS intends to use electronic deposit to the greatest extent possible.

■ **Comment.** Brian Yacker, CPA, a member of the California Society of CPAs, told CCH that one of the most common questions he hears about the rebates is whether taxpayers can apply the rebate to their 2008 taxes. "They cannot," Yacker explained. However, the IRS can use the rebate to offset a past debt.

### Electronic deposit

Taxpayers who choose to have their 2007 refunds directly deposited into their bank accounts will automatically receive their rebates by electronic deposit. Taxpayers should expect to have their rebates electronically deposited between May 2 and May

16 if the IRS has received and processed their 2007 returns by April 15.

■ **Caution.** Taxpayers who elect to split their 2007 refund between several accounts will not receive a rebate by direct deposit. They will receive paper checks.

■ **Comment.** The IRS is encouraging taxpayers to choose the direct deposit option on their 2007 returns even if they are not expecting a refund. This will enable the IRS to electronically deposit the individual's rebate.

### Paper checks

Individuals who do not choose direct deposit on their 2007 returns will receive paper checks. The IRS anticipates mailing paper checks starting May 16 and finishing the bulk by July 11.

### Distribution schedule

Rebates will be issued in the order of the last two digits of the Social Security number used on the return. On a jointly-filed return, the first Social Security number listed on the return will determine the deposit or mailing date.

**Electronic deposit.** Rebates will be electronically deposited in the following order. If the last two digits of the recipient's Social Security number are 00-20, the rebate should be sent to the recipient's bank account by May 2; 21-75 by May 9; and 76-99 by May 16.

**Paper checks.** Rebates will be mailed in the following order. If the last two digits of the recipient's Social Security number are 00-09, the rebate check should be in the mail by May 16; 10-18 by May 23; 19-25

*Continued on page 134*

Route to: \_\_\_\_\_

## House Makes Non-Spouse Rollovers Mandatory In Just-Passed PPA Technical Corrections Package

### ◆ Pension Protection Technical Corrections Bill (H.R. 3361)

Qualified plans would be required to allow rollovers by non-spouse beneficiaries under House-passed technical corrections to the *Pension Protection Act of 2006 (PPA)*. The *Pension Protection Technical Corrections Bill of 2008 (H.R. 3361)*, which passed the House on March 12, also clarifies the operation of direct rollovers from retirement plans to Roth IRAs, tax-free distributions for health insurance by retired public safety officers, as well as plan disclosure and funding rules.

■ **CCH Take Away.** The non-spouse rollover provision is just one important benefit for domestic partners in the *PPA*, Todd Solomon, McDermott Will & Emery LLP, Chicago, told CCH. The *PPA* also enhanced hardship distributions from qualified plans. “Before the *PPA*, participants could make hardship distributions for qualified expenses only for themselves or their spouse or

dependents. Under the *PPA*, if your domestic partner is your beneficiary, you can make a hardship withdrawal, if the benefit plan allows.” The two provisions, Solomon explained, work well together for same-sex couples making life-planning decisions.

### Non-spouse rollovers

Before the *PPA*, the ability to rollover a decedent’s interest in a qualified 403(b) or 457 plan was limited to surviving spouses. The *PPA* extended this treatment to non-spouse beneficiaries effective for distributions after December 31, 2006.

Shortly after Congress enacted the *PPA*, the IRS determined that non-spouse rollovers were optional and not mandatory. The technical corrections clarify that plans must offer non-spouse rollovers effective for plan years beginning after December 31, 2008.

### Roth IRAs

Distributions from eligible retirement plans made after December 31, 2007 can be rolled

over directly into a Roth IRA. Except to the extent it represents a return of after-tax contributions, any amount that is rolled over is included in gross income. Additionally (until 2010), the taxpayer’s adjusted gross income cannot exceed \$100,000. The technical corrections clarify these conditions.

### Public safety officers

The *PPA* allows for a tax-free distribution from a pension plan of up to \$3,000 per year to pay premiums on health insurance or long-term care for retired public safety officers. The technical corrections clarify that the exclusion applies to self-insured plans, as well as insurance issued by an insurance company.

■ **Comment.** The technical corrections also address funding rules for single and multi-employer plans in endangered or critical status. The IRS has released proposed regs for multi-employer plans in endangered or critical status. *See the article on page 138 of this issue.*

## Stimulus Rebates

*Continued from page 133*

by May 30; 26-38 by June 6; 39-51 by June 13; 52-63 by June 20; 64-75 by June 27; 76-87 by July 4; and 88-99 by July 11.

### Some delays

Rebates will be delayed for returns that the IRS processes after April 15. Individuals who file a return after April 15 can expect to receive their rebates approximately two weeks after receiving their refunds. Individuals must file by October 15 to ensure they receive a rebate in 2008, the IRS explained.

■ **Comment.** The IRS advised that a “small percentage” of tax returns

will require additional time to process and compute a rebate amount even if received by April 15.

### Notices

Millions of taxpayers have already received or will soon receive notices from the IRS alerting them to the rebates. The public education campaign’s multi-million dollar price tag has drawn flak from some lawmakers in Congress.

On March 13, Acting IRS Commissioner Linda Stiff told Congress that the notices are necessary because taxpayers have so many questions about the rebates. According to Stiff, 50,000

individuals are calling the IRS everyday about the rebates.

■ **Comment.** Social Security, VA and Railroad Retirement beneficiaries will soon receive a special information package (1040A-3) from the IRS describing how to claim a rebate. Yacker described the package as “very complicated for the lay person.” The package includes a sample Form 1040A, which nonfilers must use for 2007 to claim a rebate.

### Calculator

The IRS has also created a rebate calculator on its web site. The calculator asks taxpayers a series of questions based on the same information they would provide in their 2007 returns. The calculator uses the information to estimate the taxpayer’s amount of rebate. Go to <http://www.irs.gov/app/espc/>.

*References: FED ¶46,353;  
TRC INDIV: 57,000.*

#### Reference Key

FED references are to *Standard Federal Tax Reporter*  
USTC references are to *U.S. Tax Cases*  
CCH Dec references are to *Tax Court Reports*  
TRC references are to *Tax Research Consultant*

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## IRS Eases Rules For Tax-Free Partial Exchanges Of Annuity Contracts

◆ *Rev. Proc. 2008-24*

New IRS guidance eases the rules for making partial exchanges of annuity contracts tax-free under Code Sec. 1035. The guidance modifies several restrictions imposed in interim 2003 guidance and clarifies others. It also announces that the IRS is generally done with further rulemaking in the area for awhile.

- **CCH Take Away.** Until 1999, the IRS applied Code Sec. 1035 only to exchanges of entire contracts. After losing the issue in a 1998 Tax Court decision (*Conway*, 111 T.C. 350, Dec. 53,010; *acq.* 1999-2 C.B. xvi), the IRS issued Rev. Rul. 2003-76, which described how to make a partial exchange of annuity contracts tax-free and “interim” Notice 2003-51, which set down limits designed to prevent abuse. The IRS now all but admits that it overreacted on several counts in Notice 2003-51.

### Notice 2003-51

Notice 2003-51 took a broad-brush approach by looking at all the facts and circumstances and applying general tax law principles to determine whether the transaction was abusive. However, the IRS also introduced precise steps that it would use to determine whether a partial exchange

of annuity contracts, followed by the surrender of either the old or new contract, was made to avoid taxes:

- The IRS would collapse the transaction as a single event if the surrender occurred within 24 months of the exchange of contracts;
- The IRS would aggregate the old and new contracts; and
- The IRS would presume that the collapsed transaction was entered into to avoid taxes.
  - **Comment.** The taxpayer could attempt to rebut the presumption.

### New guidance

Rev. Proc. 2008-24 supersedes the interim guidance provided by Notice 2003-51 and reveals that the IRS will not issue regs. Rev. Proc. 2008-24 applies to the direct transfer to an insurance company of a portion of the cash surrender value of an existing annuity contract for a second annuity contract, even if the two contracts are issued by the same company.

- **Comment.** It is careful to continue to specify, however, that it does not apply to the purchase of a stream of annuity payments under the contract.

To determine whether a transaction would be a tax-free exchange under the new procedure, the IRS shortened the 24

month distribution period to 12 months, and removed the subjective requirement that the surrender or distribution of the policy not have been “contemplated” at the time of the exchange. Furthermore, the IRS will not aggregate the two contracts that are the subject of the tax-free exchange even if they were issued by the same insurance company. As under the old notice, even the new 12 month distribution period itself will not apply if one of the conditions under Code Sec. 72(q)(2) is present (age, death, divorce, or other factors).

The IRS also clarified that the direct transfer of a portion of an annuity contract for a second annuity contract is not a tax-free exchange, the distribution will be treated as a taxable payment to the annuity holder, followed by an investment in the second annuity contract. In addition, the partial exchange cannot be tax-free if the contract provides for a distribution under an immediate annuity or as part of substantially equal periodic payments.

- **Comment.** Rev. Proc. 2008-24 states that it applies to transfers completed on or after June 30, 2008. An IRS spokesperson would not comment to CCH how the new favorable presumptions would apply to earlier transfers.

*References: FED ¶46,362;  
TRC INDIV: 30,502.10.*

## IRS Creates Safe Harbor For FICA And FUTA Deductions On Bonuses/Vacation Pay Fixed At Year End

◆ *Rev. Proc. 2008-25*

Recognizing that “the proper accrual of FICA and FUTA tax liability continues to be an area of uncertainty,” the IRS has created a safe harbor accounting method that allows accrual-method employers to fix and, therefore, deduct FICA and FUTA payroll tax liability at year-end on vacation and bonuses customarily paid in the next year. While it remains uncertain at the end of Year 1 whether an employee will earn enough in Year 2 to exceed the FICA cap (\$102,000 in 2008) or even the FUTA cap (\$7,000), the IRS will allow the employer to apply the recurring item deduction exception and deduct the em-

ployer’s FICA and FUTA tax liability on that deferred compensation in Year 1.

The IRS also has taken a further step toward administrative convenience and the reduction of further controversy by not only making use of the safe harbor retroactive to tax years ending on or after December 31, 2007, but it will give audit protection to early years for which returns had been filed by March 11, 2008.

- **CCH Take Away.** Despite previous guidance, employers have had questions about the proper accrual of FICA and FUTA tax liabilities. An employer could not know with absolute certainty if an employee would

reach any applicable payroll tax ceiling by the time the tax is ultimately paid. This raised the question of when the payroll tax liability was fixed.

- **Comment.** Taxpayers choosing to use the safe harbor accounting method generally need only follow the automatic change in accounting method provisions in Rev. Proc. 2002-9.

The IRS’s long-standing treatment of not allowing a deduction for FICA and FUTA tax liability until wages were actually paid began to change after an adverse court decision. In *Eastman Kodak Co. v. U.S.*, 76-1

*Continued on page 136*

## IRS To Issue Opinion Letters For Pre-Approved Defined Contribution Plans By March 31

◆ *Ann. 2008-33*

The IRS has announced its intention to issue opinion and advisory letters for pre-approved defined contribution plans, including master and prototype plans, by March 31, 2008, "or soon thereafter." Employers who use these letters are required to adopt the approved plan documents by April 30, 2010.

The IRS has also made changes to determination letter application procedures to simplify the process for many applicants. Plan sponsors may rely on Announcement 2008-23 until the procedural changes are published.

### Procedural changes

The IRS will begin accepting applications for individual determination letters submitted by adopters of pre-approved plans

on May 1, 2008. For determination letters submitted beginning May 1, 2008, the IRS has made the following three clarifications and revisions to the filing procedures:

- An application for a determination letter using Form 5307, Application for Determination for Adopters of Master or Prototype or Volume Submitter Plans, generally need not include a plan's *Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA)* good-faith amendments adopted prior to adoption of the *EGTRRA*-restated plan or interim plan amendments. However, the IRS may request evidence of good-faith and interim amendments while reviewing a particular plan.
- An application for a determination letter using Form 5300, Application

for Determination for Employee Benefit Plan, because the plan is a multiple employer volume submitter plan or the employer is requesting a determination regarding partial termination, affiliated service group status or leased employees, will be reviewed on the basis of the 2004 Cumulative List as if the application was filed on Form 5307. The IRS will not consider changes in qualification requirements subsequent to the 2004 Cumulative List in these cases.

- An application for a determination letter on any other pre-approved plan required to file Form 5300 will be reviewed on the basis of the Cumulative List in effect when the application is filed.

*References: FED ¶46,366;  
TRC RETIRE: 51,054.*

## IRS Creates Safe Harbor

*Continued from page 135*

*USTC 9363*, the Court of Federal Claims held that a corporation could deduct payroll taxes corresponding to the year-end wages of its employees accrued in the current year but not paid until the succeeding calendar year because the taxes on such wages were fixed with certainty under the "all events" test.

The IRS subsequently altered its treatment. In Rev. Rul. 96-51, the IRS determined that an accrual method employer may deduct in Year 1 its otherwise deductible payroll taxes imposed on year-end wages but paid in Year 2 if the employer satisfies the recurring item exception in Reg. §1.461-5 with respect to those taxes.

- **Comment.** Under the recurring item exception, a liability is treated as incurred for a tax year if at the end of the tax year, all events have occurred that establish the fact of the liability and the amount can be determined with reasonable accuracy. Additionally, economic performance occurs on or before the earlier of the date that the taxpayer files a return (including extensions) for the tax year, or the 15th day of the ninth calendar month after the close of the tax year.

The IRS amplified Rev. Rul. 96-51 in Rev. Rul. 2007-12. If the all events test and recurring item exception are otherwise met, an accrual method taxpayer may treat its payroll tax liability as incurred in Year 1, regardless of whether the compensation to which the liability relates is deferred compensation deductible under Code Sec. 404 in Year 2.

Rev. Proc. 2008-25 now goes a step farther and determines that for vacation and bonus-type payments, the recurring item exception for payroll tax liability will be considered automatically satisfied in the same tax year in which:

- All events have occurred that establish the existence of the liability for the related compensation; and
- The amount of the liability for the related compensation can be determined with reasonable accuracy.
- **Caution.** Rev. Proc. 2008-25 does not apply to an employee's portion of *FICA* tax imposed under Code Sec. 3101 and deducted by the employer from wages paid to the employee.

*References: FED ¶46,355;  
TRC INDIV: 45,204.20.*

### 2007 IRS Data Book Now Available

The IRS recently published its 2007 Data Book, Publication 55B, at [www.irs.gov](http://www.irs.gov). This annual publication presents statistics on the agency's activities for the 2007 fiscal year (October 1, 2006 through September 30, 2007). It includes data on the number, types, and amounts reported on returns filed during the period, as well as amounts of refunds issued, and taxes collected.

Included within the latest Data Book are statistics measuring the IRS's enforcement efforts. These include examination percentages, information reporting and verification, collections, penalties, and criminal investigation statistics. The audit rate was up only slightly from the year before. While almost 1.4 million individuals were audited, over 1 million of those were confined to correspondence audits. However, there was more focus placed on the examination of higher-income taxpayers. *See the Practitioners' Corner on page 141 in this issue for details.*

*IR-2008-43, FED ¶46,368; TRC IRS: 9,402.*

## Final Regs Keep Tough Abandonment Test For Loss Deduction Of Worthless Stock

◆ *T.D. 9836*

Final regs governing the deductibility of worthless securities were recently issued by the IRS. The final regs, which make no changes to the proposed regs, require permanent abandonment to establish worthlessness.

■ **CCH Take Away.** After the Internet meltdown of a few years ago, many individuals were left holding stock with little or no value, Andrew Cordonnier, CPA, partner, National Tax Office, Grant Thornton, LLP, told CCH. Some taxpayers tried to “abandon” their shares to secure an ordinary rather than capital loss. The government did not favor that approach. While the final regs do not describe how to abandon stock, “if it looks like a gift or sale, it is not abandonment,” Cordonnier observed.

■ **Comment.** The Enron implosion of a few years ago gave rise to countless claims for worthless stock. Frustrated taxpayers tried, unsuccessfully, to persuade the IRS to allow a deduction

for a theft loss under Code Sec. 165(a) due to criminal conduct by the corporation’s officers. The IRS rejected this approach in Notice 2004-74.

### Background

Generally, a security must become totally worthless to result in a deductible loss. The proposed regs clarified that the abandonment of a security establishes the worthlessness of the security to the taxpayer. The proposed regs further required that a taxpayer would have to permanently surrender and relinquish all rights in the security and receive no consideration in exchange for the security to abandon it.

■ **Comment.** Frequently, a company will announce that its stock is worthless. For example, Enron announced “we do not expect that distributions will ever be made to the former holders of Enron stock” after it filed for bankruptcy protection.

### Final regs

The final regs mirror the proposed regs without change. For purposes of applying

the loss characterization rules of Code Sec. 165(g), the abandonment of a security establishes the worthlessness of the security to the taxpayer. A taxpayer must permanently surrender and relinquish all rights in the security. Moreover, the taxpayer must receive no consideration in exchange for the security.

The final regs also provide that a loss established by the abandonment of a security that is a capital asset is treated as a loss from the sale or exchange of a capital asset on the last day of the tax year unless the exception in Code Sec. 165(g)(3) applies.

■ **Comment.** Under Code Sec. 165(g)(3), any security in a corporation affiliated with a taxpayer that is a domestic corporation is not treated as a capital asset.

### Effective date

The final regs apply to any abandonment of stock or securities after March 12, 2008.

*References: FED ¶47,022;  
TRC BUSEXP: 30,262.*

## Benefits Under Reduction-In-Force Program Subject To FICA

◆ *CSX Corporaion, CA-FC, March 6, 2008*

The Court of Appeals for the Federal Circuit has reversed a trial court’s holding that payments falling within the definition of supplemental unemployment compensation benefits (SUBs) under Code Sec. 3402(o) were non-wages. The appeals court held that payments the taxpayer made to its employees as a result of the company reducing its workforce were all wages or compensation for *Federal Insurance Contributions Act (FICA)* and the *Railroad Retirement Tax Act (RRTA)* purposes.

### Background

A financially troubled employer set up a variety of programs to reduce its workforce, either unilaterally or through agreement with its employee unions. The programs featured financial arrangements

that encouraged employees to separate from the company.

### Court’s analysis

The employees who were placed in layoff status received benefits that represented a fixed percentage of their average monthly compensation, with the duration of the payments governed by each employee’s length of services with the employer. The appellate court concluded that Code Sec. 3402(o) does not require that FICA be interpreted to exclude from wages all payments that would satisfy the definition of SUB in Code Sec. 3402(o)(2)(A). Accordingly, the court deemed the payments to laid-off employees to be wages.

With respect to the separation payments made to management (who chose to sever their relationship with the taxpayer) and non-management employees (who were

separated from employment either voluntarily or involuntarily), the court found such payments were wages. The payments were dismissal payments, which constituted wages regardless of whether an employee’s separation was voluntary or involuntary. The court stated further that such payments have been consistently treated as wages for FICA purposes in accordance with precedent and policy.

Additionally, the court found that the payments made to employees whose full-time positions were eliminated but who continued to be employed by the company on an as-needed basis were also wages and subject to employment tax. Absent special statutory exemption, such payments are considered wages for FICA purposes, the court emphasized.

*References: 2008-1 USTC ¶50,218;  
TRC COMPEN: 6,650.*

## IRS Releases 2008 “Dirty Dozen” List With Two New Scams

◆ *IR-2008-41*

The IRS has released its annual “Dirty Dozen” list, which alerts taxpayers to the 12 most egregious tax scams. Two new scams, criminals using the 2008 rebates to steal taxpayers’ identities and bogus fuel tax credit claims, appear this year. The remaining scams, such as frivolous arguments and zero wages, make repeat appearances.

■ **Comment.** “Taxpayers should be wary of scams and promises to avoid paying taxes that seem too good to be true,” Acting IRS Commissioner Linda Stiff said in a statement. “There is no secret formula that can eliminate a person’s tax obligations,” she added.

### Rebates

Scam artists are trying to trick taxpayers into revealing financial information that can be used to access their banks accounts by promising to send them an economic stimulus payment, commonly referred to as a rebate. For example, a criminal posing as an IRS representative contacts a taxpayer by phone or e-mail and informs her or him that he or she is eligible for a rebate but must provide a bank account number or similar information to receive the rebate. If the taxpayer is unwilling to provide the information, the taxpayer is told that he or she cannot receive the rebate.

Eligible taxpayers in most instances will not have to do anything more than file a 2007 tax return to receive a rebate. The

IRS will not contact taxpayers by phone or e-mail about their rebate.

■ **Comment.** The IRS is sending written notices by mail to taxpayers about the rebates. *See the lead article in this week’s issue for details.*

### Fuel tax credits

Some taxpayers, such as farmers who use fuel for off-highway business purposes, may be eligible for the fuel tax credit. However, taxpayers are claiming the tax credit for nontaxable uses of fuel when their occupation or income level makes the claim unreasonable, according to the IRS. Fraud involving the fuel tax credit can potentially subject taxpayers to a \$5,000 penalty.

*References: FED ¶46,363;  
TRC PENALTY: 3,260.*

## IRS Issues Guidance On Heightened Funding Under PPA For Multi-Employer Plans Now In Endangered/Critical Status

◆ *NPRM REG-151135-07*

Recently issued proposed regs describe the determination, certification and notification requirements of multi-employer pension plans in endangered or critical status. The IRS also promises to provide more guidance on the adoption of funding improvement plans for endangered plans or rehabilitation plans for critical plans later this year.

■ **CCH Take Away.** The *Pension Protection Act of 2006 (PPA)* created the new classifications of endangered or critical status in Code Sec. 432, which generally apply to plan years beginning after 2007 and before 2014. The new regs are proposed to be used immediately, for plan years ending after March 18, 2008, but only in connection with plan years that begin on or after January 1, 2008.

### Background

Generally, a multi-employer plan is in endangered status if the plan’s funded percentage is less than 80 percent, and a plan is in critical status if its funded percentage is less than 65 percent. Other factors also must be satisfied for endangered and critical status.

■ **Comment.** The *PPA* requires an actuarial certification of endangered or critical status for each plan year. This certification must be completed by the 90th day of the plan year.

A multi-employer plan in endangered or critical status must notify participants, beneficiaries, any bargaining parties, Department of Labor, and the Pension Benefit Guaranty Corporation. Moreover, an endangered plan must adopt a funding improvement plan and a critical plan must adopt a rehabilitation plan. These set forth how the plan will emerge from endangered or critical status.

### Critical status

Under the proposed regs, a multi-employer plan in critical status must not pay any benefit in excess of the monthly amount paid under a single life annuity (plus any Social Security supplement) and is not permitted to purchase an irrevocable commitment from an insurer to pay benefits as of the date that notice of critical status is sent to participants. The restriction does not apply to permissible small-dollar cash-outs or to make-up payments under a retroactive an-

nuity starting date, the IRS explained. The plan must correct any benefit payments that were restricted in error.

■ **Comment.** A plan in critical status is allowed to give early notice to participants for the first plan year beginning after 2007 if the actuary certifies that the plan is reasonably expected to be in critical status for that initial plan year.

### Actuaries

The proposed regs also address the projections that actuaries use to certify if a multi-employer plan is in endangered or critical status. The proposed regs describe, among other things, the actuarial projection of future contributions/assets and when an actuary may use the alternative assumption that the dollar amount of contributions will be unchanged.

### Change in status

A multi-employer plan in endangered status may emerge from that status but later re-enter it. The year of re-entry is treated as the initial endangered year, the IRS explained.

*References: FED ¶49,792;  
TRC RETIRE: 30,152.*

# Tax Briefs

## Internal Revenue Service

The IRS has awarded almost \$9 million in matching grants to 154 nonprofit organizations and academic institutions under the Low Income Taxpayer Clinic (LITC) grant program for the 2008 grant cycle.

*IR-2008-38, FED ¶46,354; TRC IRS: 12,380.*

The IRS has provided updated information to be used in conjunction with Publication 1187, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Electronically or Magnetically. The changes are effective for tax year 2007 returns filed in calendar year 2008.

*Announcement 2008-19, FED ¶46,365; TRC FILEBUS: 12,302.20.*

The IRS has reiterated its position that corporate refund claims involving research credits, except claims stated in original tax returns, must generally be filed with the Internal Revenue Service Center in Ogden, Utah. A prior approach, which allowed taxpayers under audit to submit certain research credit claims directly to IRS auditors, has been eliminated.

*Notice 2008-39, FED ¶46,358; TRC IRS: 33,158.*

One-quarter of all tax returns submitted so far this filing season have been processed by the IRS's modernized account information computer system, known as the Customer Account Data Engine (CADE).

*IR-2008-39, FED ¶46,361; TRC FILEIND: 18,050.*

The IRS is asking the assistance of community groups, charities and other nonprofit organizations in educating low-income Americans who may not realize they could be eligible for a 2008 economic stimulus payment.

*IR-2008-42, FED ¶46,367.*

## International

A U.S. corporation was liable for taxes that it failed to withhold from interest pay-

ments paid to a Hong Kong subsidiary of a government-owned Chinese corporation.

*New York Guangdong Finance, Inc., TC, CCH Dec. 57,367(M), FED ¶47,981(M); TRC INTL: 3,556.*

The current list of countries that may require participation in, or cooperation with, an international boycott is as follows: Kuwait, Lebanon, Libya, Qatar, Saudi Arabia, Syria, United Arab Emirates and the Republic of Yemen.

*Boycott Notice, FED ¶46,369; TRC INTL: 21,050.*

## Jurisdiction

Jurisdiction was lacking over a married couple's claim for damages for profits and dividends they allegedly lost as a result of the IRS's improper levy of their shares of stock. Code Sec. 7433 was the exclusive remedy for damages for an improper levy and the taxpayers admittedly failed to plead such a claim.

*Cox, DC Calif., 2008-1 USTC ¶50,212; TRC IRS: 45,114.*

In the absence of a notice of determination, the Tax Court lacked jurisdiction to hear the claim of an individual who

did not request a hearing. The individual did not receive the notice of levy either because of his deliberate refusal to accept the letter or his failure to collect his mail and did not request a hearing under Code Sec. 6330.

*Pickell, TCM, CCH Dec. 57,365(M), FED ¶47,979(M).*

## Tax Crimes

An individual's conviction for tax evasion, filing false tax documents and assisting in the preparation of false returns or other documents was proper. The government was not required to prove that the documents were tax returns as defined in Code Sec. 7203. Furthermore, evidence that showed that the individual lacked a good faith belief in his position was properly admitted, and the individual's Sixth Amendment right to a jury trial was not violated.

*Marston, CA-8, 2008-1 USTC ¶50,221; TRC IRS: 66,058.20.*

## FOIA

The IRS's search for documents responsive to an individual's FOIA request for information relating to an IRS examination of

*Continued on page 140*

## IRS Issues Fuel Cell Vehicle Certification Procedures

The IRS has provided guidance for vehicle manufacturers (and domestic distributors, in the case of foreign vehicle manufacturers) to certify that a fuel cell motor vehicle satisfies the requirements for a Code Sec. 30B credit. It has also provided guidance to taxpayers who purchase certified vehicles regarding the conditions under which they may rely on these certifications.

Manufacturers and domestic distributors must submit to the IRS a certification that includes, among other items, the make, model, year, proposed credit amount, and gross vehicle weight rating of the vehicle. The manufacturer must affirm that the vehicle is propelled by power derived from one or more cells that convert chemical energy into electricity. A purchaser may claim a credit in the certified amount for a fuel cell vehicle if it is placed in service by the taxpayer after December 31, 2005 and is purchased on or before December 31, 2014; the original use of the vehicle commences with the taxpayer; and the vehicle is acquired for use or lease by the taxpayer.

*IR 2008-40, Notice 2008-33, FED ¶¶46,359,46,360; TRC INDIV: 57,704.*

## Tax Briefs

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his tax liability was adequate. Documents withheld by the IRS were exempt from disclosure and the individual's request for *in camera* review of the withheld information was denied.

*Radcliffe, DC N.Y., 2008-1 USTC ¶50,222; TRC IRS: 9,502.*

### Deductions

A married couple was allowed to deduct legal fees only as a miscellaneous itemized deduction because they failed to substantiate their claim that they incurred the expenses to collect business income. In addition, the husband, an S corporation shareholder, was liable for tax on his *pro rata* share of the S corporation's income for the number of days that he owned the stock in that year.

*Dunne, TC, CCH Dec. 57,368(M), FED ¶47,982(M); TRC SCORP: 402.05.*

### Employee Benefits

The IRS has released the applicable terminal charge and the Standard Industry Fare Level (SIFL) mileage rates for determining the value of noncommercial flights on employer-provided aircraft in effect for the first half of 2008 for purposes of the taxation of fringe benefits.

*Rev. Rul. 2008-14, FED ¶46,364; TRC COMPEN: 33,202.10.*

### Frivolous Arguments

The Tax Court did not abuse its discretion when it imposed a penalty against an individual for taking a frivolous position despite prior warnings.

*Webster, CA-9, 2008-1 USTC ¶50,217; TRC LITIG: 6,816.*

### Energy Deductions

Additional guidance is set forth relating to the deduction for energy efficient commercial buildings under Code Sec. 179D and is intended to be used with Notice 2006-5, under which an interim lighting rule provided that partially qualifying

property is treated as energy efficient lighting property.

*Notice 2008-40, FED ¶46,357; TRC BUSEXP: 18,950.*

### Liens and Levies

The IRS's determination to proceed with a proposed levy on an individual's retirement account to collect her unpaid income tax liability was proper.

*Richmond, TC, CCH Dec. 57,364(M), FED ¶47,978(M); TRC IRS: 24,054.*

The government had adequate standing to bring its action to reduce federal tax liens to judgment. The federal district court had subject matter jurisdiction over the government's action under Code Sec. 7403, and the government's allegations were sufficient to support its pleadings.

*Wagner, DC Colo., 2008-1 USTC ¶50,214; TRC IRS: 45,158.*

### Jury Trial

An individual's right to a jury trial was revived when the government raised a new issue in its amended complaint to include a new corporation for which he could be held liable for failure to pay employment taxes.

*Kyriakakis, DC Fla., 2008-1 USTC ¶50,215; TRC LITIG: 9,102.25.*

### Tax Assessments

An individual's argument that the government's action to enforce tax assessments was filed more than 10 years after the assessment was rejected. He had previously raised the identical argument in a different federal district court.

*Shacklette, DC Ky., 2008-1 USTC ¶50,213; TRC IRS: 45,202.*

### Statute of Limitations

An IRS Appeals officer properly interpreted and applied the bankruptcy suspension provisions of Code Sec. 6503 to extend the limitations period before applying the various statutory extensions required by the taxpayer's three offers-in-compromise (OICs).

*Staso, Jr., DC Kan., 2008-1 USTC ¶50,216; TRC IRS: 45,204.*

### Burden of Proof

An individual's inability to independently verify his tax debt because he lost his business records did not satisfy his burden of proving that the IRS's assessment of trust fund taxes was wrong.

*Zinkon, DC W.Va., 2008-1 USTC ¶50,223; TRC PAYROLL: 6,314.05.*

### Deficiencies and Penalties

A married couple was subject to penalties for failure to timely file a tax return and to pay their taxes. However, there was reasonable cause for the abatement of penalties from the time they first attempted to make the payment to the time they requested a stop payment for their lost check.

*DeSabato, Jr., DC Mass., 2008-1 USTC ¶50,219; TRC PENALTY: 3,050.*

### Offer-in-Compromise

The Appeals officer properly concluded that a minimally acceptable offer-in-compromise (OIC) from the taxpayer would have to include her interest in real property that was awarded to her as part of her divorce settlement.

*Ashlock, TC, CCH Dec. 57,363(M), FED ¶47,977(M); TRC IRS: 42,100.*

### Bankruptcy

Debtors in bankruptcy failed to prove that they were not in receipt of discharge of indebtedness income after the mortgage company foreclosed on their property.

*In re Higgins, BC-DC Tenn., 2008-1 USTC ¶50,220; TRC SALES: 12,154.*

### Alimony

Payments that an individual received from her ex-husband pursuant to a court order were taxable alimony. The divorce court's order unambiguously stated that the ex-husband's payment obligation would end upon his ex-wife's death.

*Theurer, TC, CCH Dec. 57,366(M), FED ¶47,980(M); TRC INDIV: 21,150.*

# Practitioners' Corner

## Consistent Trends Seen In Latest IRS Data Book

A recent article from *CCH Federal Tax Weekly*, "Winter 2008 Statistics of Income Bulletin Examines Split-Level Trusts, Increasing UBTI, Other Trends," dated March 6, 2008, indicated that the IRS has studied trends in income tax reporting over the last couple of years. This practice continues with the just-released Internal Revenue Service Data Book 2007, Publication 55B, covering audit and other enforcement statistics for the last full fiscal year. This Practitioners' Corner takes a close look at the 2007 Data Book from the perspective of answering the inevitable question posed by a client, "What are my chances of being audited?," as well as the question asked if the IRS should come calling, "Why me?"

### Data reported

The IRS's just-released 2007 Data Book contains activities conducted by the IRS from October 1, 2006 through September 30, 2007. It provides information on returns filed, taxes collected, and enforcement; closing mirroring information announced in the agency's 2006 Data book. For example, IRS reports that, during fiscal year (FY) 2007, taxpayers electronically filed over 87 million returns, 57.6 of which were individual income tax returns. The agency also reported that it collected nearly \$2.4 trillion in tax (net of refunds) during the year, 46 percent of which was attributable to the individual income tax. Individual income taxpayers received tax refunds totaling over \$248 billion during the year.

### Enforcement

The 2007 Data Book, as in previous years, provides information about the enforcement techniques IRS uses for the various types of tax returns. This includes the audit selection process, enforcement through examination of returns, as well as through civil penalties, criminal investigations, and offers-in-compromise.

**Audit selection process.** The IRS has been conducting the National Research Program,

based on 2002 information, to update its compliance information and to determine which returns it should audit. As part of the process, the agency uses independent information from

that took advantage of the earned income tax credit; bifurcating this group at the \$25,000 income level. The following table gathers the latest Data Book statistics:

*"The IRS's just-released 2007 Data Book ... provides information on returns filed, taxes collected, and enforcement."*

third parties to identify and resolve taxpayer errors and to identify persons who failed to file a return. Returns may also be chosen on the basis of information received from Forms 1099 and W-2 that does not match the information reported on the return.

The IRS received over 1.8 billion information returns in 2007. Of these, 1.17 billion were filed electronically, while 58 million were filed on paper. The agency estimated that this program resulted in over 19 billion in additional assessments; the equivalent of having an extra 2.1 billion IRS employees working on tax administration.

**Examinations.** The number of examinations conducted by IRS continued to rise in FY 2007. The number of examinations slightly increased for individual income tax returns, up to over 1.3 million or one percent. Of those, 331,339, or roughly 24 percent, were conducted by revenue agents, tax compliance officers, and other examiners. The balance, 1,073,224 audits, were done by mail.

The IRS made a special effort with this year's Data Book to portray examination data on taxpayers taking advantage of the earned income tax credit. Rather than the usual breakdown of examinations of individual income tax returns by income, the agency listed the total individual income tax returns examined and then showed those under the \$200,000 income level. It then created a new category of data showing examination of business and individual returns

### PERCENTAGE OF RETURNS AUDITED

#### Individual Income:

Individual Tax Returns, total .....	1.0%
Individuals with Taxable Positive Income (TPI) under \$200,000, without earned income tax credit (non-business) .....	0.4%

#### Business returns (Nonfarm) by size of Total Gross Receipts (TGR):

Under \$25,000 .....	1.3%
\$25,000 - \$100,000 .....	2.0%
\$100,000 - \$200,000 .....	6.2%
\$200,000 and above .....	1.9%

Farm returns: .....

#### Business and Non-business returns with earned income tax credit by size of TGR:

Under \$25,000 .....	1.9%
\$25,000 and above .....	9.7%

Estate and trust income .....

#### Corporations:

Small Corporations .....	0.9%
Large Corporations .....	16.8%

S Corporations .....

Partnerships .....

Gift tax .....

*Continued on page 143*

# Washington Report

by the CCH Washington News Bureau



## Budget resolutions call for major tax cuts

The House and Senate, during the week of March 10, approved their respective fiscal year (FY) 2009 budget resolutions. Under an amendment offered to the Senate's resolution by Senate Finance Committee Chairman Max Baucus, D-Mont., any surplus budget funds will be designated for tax relief.

The Senate on March 13 approved by a vote of 51-44 its FY 2009 budget resolution (*S.Con.Res. 70*), which includes funding for \$340 billion in tax cuts over the next five years. Those include a permanent extension of the 10 percent income tax bracket, leaving the estate tax at 2009 levels, elimination of the marriage penalty, and an increased refundable child tax credit. Under the amendment offered by Baucus, any surplus budget funds remaining are to be designated for tax relief as well. The House approved its budget resolution (*H.Con.Res. 312*) by a margin of 212-207. Unlike the Senate, the House version includes reconciliation protection for a 2008 alternative minimum tax (AMT) patch in its \$3 trillion FY 2009 budget resolution.

Office of Management and Budget (OMB) Director Jim Nussle sharply criticized the reconciliation instructions included in the House budget resolution. The budget blueprint "misuses fast-track procedures" that could "hold the AMT patch hostage to a tax increase," Nussle said. On the Senate budget resolution, White House Deputy Press Secretary Tony Fratto said the vote to preserve the tax cuts due to expire in 2010 is "good news."

## House approves pension technical corrections measure

The House late on March 12 approved by voice vote the *Pension Protection Technical Corrections Bill of 2007* (*H.R. 3361*), which amends the *Employee Retirement Income Security Act (ERISA)* and the Internal Revenue Code. The measure, as applied to the *Pension Protection Act of 2006*, makes changes to defined benefit pension plans.

The Senate did not take up the bill before beginning a two-week spring recess. See page 148 of this issue for details.

## Senate confirms Shulman as IRS Commissioner

Douglas Shulman, President Bush's pick to be the next Commissioner of Internal Revenue, was confirmed by the Senate in the early morning hours of March 14 just before lawmakers began their spring recess. The Senate Finance Committee (SFC) had earlier unanimously endorsed Shulman to be the nation's tax chief. Shulman, 40, comes to the IRS after a stint as vice chair of the Financial Industry Regulatory Authority (FINRA), which regulates U.S. brokerage firms. Shulman oversaw, among other things, FINRA's technology operations. Prior to FINRA, he co-founded a technology-related consulting firm. In the late 1990s, Shulman served as chief of staff for the National Commission on Restructuring the IRS. "As Commissioner, I will concentrate on both enforcement and service," Shulman said after his confirmation, echoing language often used by his predecessor, Mark Everson.

Shulman's technology expertise will be valuable to the IRS, which is struggling to modernize its antiquated computer systems, Robert Kerr, senior director of government relations for the National Association of Enrolled Agents (NAEA), told CCH. "The Service is getting a person whose background makes him well-suited to the job and whose statements indicate that he understands the importance both of balancing service and enforcement and of modernizing the agency's technology."

Besides modernizing its technology, the IRS must also find new hires to fill the ranks of retiring employees, Thomas Ochenschlager, vice president-taxation, American Institute of Certified Public Accountants (AICPA), told CCH. "Experienced employees are leaving the IRS and not a lot of people coming in can fill their shoes." Ochenschlager cautioned that the lack of experienced employees could

cause slower response times from the IRS, possibly affecting the speed with which guidance, rulings and other items are issued.

## Lawmakers debate private debt collection

IRS Acting Commissioner Linda Stiff defended the IRS's handling of the private debt collection program during the House Ways and Means Oversight Subcommittee's annual hearing on IRS operations on March 13. National Taxpayer Advocate Nina Olson, who also appeared before the subcommittee, took the opposite side, stating that she was "less than convinced that this program works."

Ranking member Jim Ramstad, R-Minn., questioned the cost to the IRS of supporting the private debt collection program. According to Stiff, private collection agencies collected \$43 million that would not have otherwise been collected. However, Olson said that after subtracting out direct costs of the program (\$7.65 million) and commissions, the private debt collection initiative can be expected to generate only about \$11 million annually. Stiff reported that the IRS is currently conducting a test to determine what would happen if IRS employees worked the accounts that the private collection agencies are working.

## GAO recommends possible single preparer ID number

The Government Accountability Office (GAO) has recommended that the IRS look into the costs and benefits of requiring return preparers to identify themselves on all returns they prepare using a single number (*GAO-08-567*). Currently, preparers may enter either their Social Security number or their preparer tax identification number, along with the employer identification number of their employer or partnership, if any. The GAO applauded the IRS for using return-on-investment analyses of new initiatives in its budget justification and encouraged expanded use of such analytical tools.

# Audit Watch



## Fifth Circuit Finds Use Of Annuity Tables Does Not Yield Unrealistic Or Unreasonable Result

◆ *Anthony, CA-5, March 4, 2008*

The Fifth Circuit Court of Appeals has held that using the annuity tables under Code Sec. 7520 would not yield an unrealistic and unreasonable result even though the table valuation was substantially less than the estate's purported free market valuation. The court also found that the annuities were not restricted beneficial interests under Reg. §20.7520-3(b).

### Background

The taxpayer claimed that it had overvalued private annuities in its initial filing and was due a refund of estate taxes, plus interest. The payments due under the annuities were non-assignable. The IRS denied the claim. The taxpayer then filed suit in district court. The court found that the annuities were properly valued under the Code Sec. 7520 tables and no

tax refund was due. The taxpayer appealed to the Fifth Circuit.

■ **Comment.** In *Cook v. Commr*, 2003-2 USTC ¶60,471, 2003, the court analyzed the case law exception to the Code Sec. 7520 tables. The death of the decedent in *Cook* occurred before the 1995 effective date of Reg. §20.7520-3(b).

### Tables

The Fifth Circuit was not persuaded by the taxpayer's argument that the tables yielded an unrealistic and unreasonable result because there was a disparity between the alleged fair market value and the value under the tables. The court noted that it had refused to depart from the tables in cases where greater disparities had occurred. Indeed, the court noted that a disparity of 66 percent had not been held to be unreasonable

(*Estate of Donovan, DC-Mass., April 26, 2005*).

### Marketability

The Fifth Circuit found that the reg did not provide a basis to reject the conclusion in *Cook* about non-marketability and the tables. Accordingly, the court concluded that, for estate tax purposes, the annuity tables are not concerned about the difference in market value between an inherited, non-transferable right to receive periodic payments and an inherited, transferable right to receive such payments.

According to the court, it did not read the language, structure and purpose of Treasury Reg. §20.7520-3(b) so broadly as to require a non-marketability exception from the annuity tables. Nor was the court inclined to adopt such an exception since it was rejected by *Cook*.

References: 2008-1 USTC ¶60,558;  
TRC VALUE: 18,104.

## Practitioners' Corner

*Continued from page 141*

**Civil penalties.** In 2007, the IRS assessed 27.3 million civil penalties against non-compliant individual income taxpayers for a total amount of \$14.8 million. Of all penalties assessed by the IRS under the Code, individual income taxpayers led the pack at 72.77 percent, with employment tax-related penalties running second at 22.5 percent. Corporate taxpayers were responsible only for about a two percent share of penalties, a lesser amount than in 2006. Also, while most of these taxes were due to estimated tax penalties in 2006, the majority in 2007 were due to the failure to pay tax.

**Criminal investigations.** Although, in the IRS's grand scheme of enforce-

ment, criminal investigations are almost a negligible number, they do serve as a deterrent. Individuals who deliberately fail to comply with federal tax laws may be subject to a criminal investigation, which could result in prosecution, fines, and imprisonment. Criminal investigations typically focus on legal source crimes, illegal source financial crimes, and narcotics-related financial crimes.

Viewed from the perspective of percentage increases, the rate of criminal prosecutions is phenomenal. During 2007, 1,664 legal source crimes (making up almost 40 percent of all tax-related criminal investigations), 1,731 illegal source financial crimes (41.1 percent), and 816 narcotics-related financial crimes (19.38 percent) were initiated. Of those investigations, 1,313 illegal source financial crimes (78.85 percent)

were referred for prosecution, of which 947 (72.12 percent) resulted in conviction. 976 legal source tax crimes (58.65 percent) were referred for prosecution and 732 (75.1 percent) resulted in conviction.

**Offers-in-compromise.** Taxpayers seemed to continuously rely less upon the IRS's authority to issue offers-in-compromise (OIC) to resolve their tax liability... and with good reason. In 2007, the IRS only received 46,000 OICs, a continuation of the drop from the 106,000 the agency received in 2004. Of these requests, the agency only accepted 12,000, a 26.09 percent acceptance rate. The numbers of OICs received and accepted in 2007 were less than the 2006 numbers although the acceptance rate was nearly identical: 59,000 submitted, and 15,000, or 25.42, percent accepted in 2006.

# Compliance Calendar

**March 21**

Employers deposit Social Security, Medicare, and withheld income tax for March 15, 16, 17, and 18.

**March 26**

Employers deposit Social Security, Medicare, and withheld income tax for March 19, 20, and 21.

**March 28**

Employers deposit Social Security, Medicare, and withheld income tax for March 22, 23, 24 and 25.

**March 31**

Employers file electronically Forms 1098, 1099, and W-2G.

Employers file electronically copies of all Forms W-2 issued for 2007.

Employers file electronically copies of all Forms 8027 for 2007.

## From the Helpline

The following questions have been answered recently by our "CCH Federal Tax Service" Helpline (1-800-449-8114).

**Q** Are amounts paid to a diet food program a legitimate medical expense for which a withdrawal from a flexible spending account may be made?

**A** Amounts paid to lose weight are not deductible unless the weight loss is a treatment for a specific disease diagnosed by a physician (such as obesity, hypertension, or heart disease). The costs of diet food or beverages generally are not considered medical expenses because the diet food and beverages substitute for what is normally consumed to satisfy nutritional needs. In limited circumstances, they may be deductible if (1) the food does not satisfy normal nutritional needs, (2) the food alleviates or treats an illness, and (3) the need for the food is substantiated by a physician. In that case, the amount you can include in medical expenses is limited to the amount by which the cost of the special food exceeds the cost of a normal diet. *See TRC INDIV: 42,058.*

**Q** When is property considered "acquired" for purposes of qualifying for bonus depreciation?

**A** Qualification for taking 50 percent bonus depreciation under the *Economic Stimulus Act of 2008* generally requires that the property be (1) acquired by the taxpayer after December 31, 2007 and before January 1, 2009 (and not under a binding contract executed before 2008), and (2) placed in service before January 1, 2009 (with limited exceptions). "Acquired" for purposes of depreciation and the investment credit means reduced to physical possession or control. However, physical possession is not required if there is "a binding contract to acquire." Under the depreciation regs, a contract is binding only if "it is enforceable under state law against the taxpayer or a predecessor, and does not limit damages to a specified amount." *See TRC DEPR: 3,600.*

## TRC Text Reference Table

The cross references at the end of the articles in CCH Federal Tax Weekly (FTW) are text references to CCH Tax Research Consultant (TRC). The following is a table of TRC text references to developments reported in FTW since the last release of New Developments.

ACCTNG 18,212	127	INTL 3,556	139	IRS 66,204	128
ACCTNG 21,154.10	126	INTL 3,604	128	LITIG 3,052	128
ACCTNG 33,204.15	113	INTL 21,050	139	LITIG 6,816	140
BUSEXP 3,200	116	IRS 9,402	136	LITIG 9,102.25	140
BUSEXP 6,152	125	IRS 9,502	139	LITIG 9,254.10	127
BUSEXP 9,000	121	IRS 12,302.20	139	PAYROLL 6,306	127
BUSEXP 9,104	121	IRS 12,380	139	PAYROLL 6,314	140
BUSEXP 18,950	140	IRS 12,384	127	PENALTY 3,050	140
BUSEXP 30,262	137	IRS 15,020	123	PENALTY 3,106	128
COMPEN 6,650	137	IRS 21,306	127	PENALTY 3,260	138
COMPEN 33,202.10	140	IRS 24,054	140	PENALTY 9,056.20	127
CONSOL 39,202.20	127	IRS 27,218	128	PENALTY 9,056.20	128
DEPR 3,504	122	IRS 33,158	139	RETIRE 3,254	123
DEPR 3,504.05	122	IRS 42,100	140	RETIRE 15,304.05	127
ESTGIFT 45,200	124	IRS 45,114	139	RETIRE 30,152	138
FILEBUS 12,306	127	IRS 45,152	128	RETIRE 30,164.05	126
FILEIND: 18,050	139	IRS 45,158	140	RETIRE 51,054	136
FILEIND: 21,154.40	126	IRS 45,202	140	SALES 12,154	140
INDIV 21,150	140	IRS 45,204	140	SALES 30,000	127
INDIV 30,502.10	135	IRS 48,056.25	128	SALES 51,256	115
INDIV 45,204.20	135	IRS 66,058.20	139	SCORP 304.10	125
INDIV 57,000	133	IRS 66,060.35	124	SCORP 402.05	140
INDIV 57,704	139	IRS 66,202	128	VALUE 18,104	143