INTERNAL REVENUE
BULLETIN

IRS

Bulletin No. 2024–39
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# 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.**

## EMPLOYEE PLANS

### Notice 2024-65, page 633.

This notice requests comments from the public regarding all aspects of sections 103 and 104 of the SECURE 2.0 Act of 2022. Section 103 of the SECURE 2.0 Act of 2022, in part, added section 6433 to the Internal Revenue Code, which provides for matching contributions (Saver's Match contributions) paid by the Secretary of the Treasury to applicable retirement savings vehicles on behalf of eligible individuals who make qualified retirement savings contributions. Section 104 of the SECURE 2.0 Act of 2022 requires the Department of the Treasury to take steps to increase public awareness of the availability of Saver's Match contributions and to provide a report to Congress on anticipated promotion efforts by the Department of the Treasury.

## EXEMPT ORGNIZATION

### Announcement 2024-39, page 639.

Revocation of IRC 501(c)(3) Organizations for failure to meet the code section requirements. Contributions made to the organizations by individual donors are no longer deductible under IRC 170(b)(1)(A).

## INCOME TAX

### Notice 2024-64, page 632.

On February 12, 2024, the Treasury Department and the IRS published Notice 2024-20, 2024-7 I.R.B. 668, to provide guidance on eligible census tracts for the § 30C credit in advance of the 2023 filing season and to announce the intent to propose regulations for the credit. Section 5.01 of Notice 2024-20 refers taxpayers to appendices with lists of eligible census tracts based on either the 2015 census tract boundaries or the 2020 census tract boundaries, as relevant, using a unique identifier called an 11-digit census tract GEOID. Section 5.02 of Notice 2024-20 provides website addresses for mapping tools that taxpayers can use to identify the 11-digit census tract GEOID for a location where a property is placed in service. Section 5.03 of Notice 2024-20 provides that until the issuance of the forthcoming proposed regulations, taxpayers may rely on Notice 2024-20 and its appendices for purposes of determining whether qualified alternative fuel vehicle refueling property has been placed in service in an eligible census tract. This notice modifies sections 5.02 and 5.03 of Notice 2024-20 by updating the mapping tools referenced in Notice 2024-20 and extending section 5.03 in Notice 2024-20.

### REG-111629-23, page 640.

This document contains proposed regulations that, in general, modify the time and manner for making and revoking elections relating to certain foreign currency gains and losses under §1.954-2(g) and proposed §§1.954-2(g) and 1.988-7.

### Rev. Proc. 2024-35, page 638.

This revenue procedure provides the applicable percentage table in section 36B(b)(3)(A) for taxable years beginning in calendar year 2025 that is used to calculate an individual's premium tax credit under section 36B. This revenue procedure also provides the indexing adjustment for the required contribution percentage in section 36B(c)(2)(C)(i)(II) that is used to determine whether an individual is eligible for employer-sponsored minimum essential coverage under section 36B.

**Finding Lists begin on page ii.**

# The IRS Mission

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

# Introduction

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

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

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

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

The Bulletin is divided into four parts as follows:

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

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

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

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

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

# Part III

## Modification of Notice 2024-20

## Notice 2024-64

SECTION 1. PURPOSE

This notice modifies Notice 2024-20, 2024-7 I.R.B. 668, relating to the alternative fuel vehicle refueling property credit under § 30C of the Internal Revenue Code (§ 30C credit) by updating the mapping tools referenced in sections 5.02 and 5.03 of Notice 2024-20 and extending the period to which section 5.03 of Notice 2024-20 applies.

SECTION 2. BACKGROUND[1]

On February 12, 2024, the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) published Notice 2024-20, 2024-7 I.R.B. 668, to provide guidance on eligible census tracts for the § 30C credit in advance of the 2023 filing season and to announce the intent to propose regulations regrading the § 30C credit (forthcoming proposed regulations). Section 5.01 of Notice 2024-20 refers taxpayers to appendices with lists of eligible census tracts based on either the 2015 census tract boundaries or the 2020 census tract boundaries, as relevant, using a unique identifier called an 11-digit census tract geographic identifiers (GEOID). Section 5.02 of Notice 2024-20 provides website addresses for mapping tools that taxpayers can use to identify the 11-digit census tract GEOID for a location where a property is placed in service.

Section 5.03 of Notice 2024-20 provides that until the issuance of the forthcoming proposed regulations, taxpayers may rely on Notice 2024-20 and its appendices for purposes of determining whether qualified alternative fuel vehicle refueling property has been placed in service in an eligible census tract. In addition, Section 5.03 of Notice 2024-20 provides that until the issuance of the forthcoming proposed regulations, the IRS will administer § 30C in a manner consistent with the appendices and related rules described in the notice.

This notice modifies sections 5.02 and 5.03 of Notice 2024-20 as described in section 3 of this notice.

SECTION 3. MODIFICATION TO NOTICE 2024-20

.01 *Change in Websites Used to Identify Census Tracts*. Following publication of Notice 2024-20, the Treasury Department and the IRS identified certain technical issues related to the use of the mapping tools identified in section 5.02 of Notice 2024-20, which in rare circumstances may provide inaccurate results. To direct taxpayers to accurate tools provided by the Census Bureau for purposes of the § 30C credit, this section 3.01 updates the mapping tools that taxpayers may use to identify the relevant 11-digit census tract GEOID of an eligible census tract. The Census Bureau will provide continued access to the updated information.

A taxpayer who files or filed a tax return including a claim for a § 30C credit on or before November 15, 2024, may use the mapping tools identified in section 5.02 of Notice 2024-20 as published on February 20, 2024, or the mapping tools identified in section 5.02 of Notice 2024-20 as revised by this notice. A taxpayer who files a tax return including a claim for a § 30C credit after November 15, 2024, may use the mapping tools identified in section 5.02 of Notice 2024-20 as revised by this notice, but may not use the mapping tools identified in section 5.02 of Notice 2024-20 as published on February 20, 2024.

Accordingly, sections 5.02(2) and 5.02(3) of Notice 2024-20 are modified as follows:

(1) Section 5.02(2) of Notice 2024-20 is modified to read:

(2) Taxpayers can determine the 11-digit census tract GEOID of a location under the 2015 census tract boundaries by using the Census Bureau mapping tool available via https://www.census.gov/data/data-tools/2015-census-tract.html.

(2) Section 5.02(3) of Notice 2024-20 is modified to read:

(3) Taxpayers can determine the 11-digit census tract GEOID of a location under the 2020 census tract boundaries by using the Census Bureau mapping tool available via https://www.census.gov/data/data-tools/2020-census-tract.html.

.02 *Extension of the period to which section 5.03 applies*. Section 5.03 of Notice 2024-20 is modified by replacing "issuance of the forthcoming proposed regulations" with "forthcoming proposed regulations are issued as final regulations" in each place the phrase occurs.

SECTION 4. EFFECTIVE DATE

This notice is effective September 18, 2024.

SECTION 5. EFFECT ON OTHER DOCUMENTS

Sections 5.02(2), 5.02(3), and 5.03 of Notice 2024-20 are modified as provided in section 3 of this notice. Except as explicitly provided in section 3 of this notice, this notice does not otherwise affect the guidance provided in Notice 2024-20.

SECTION 6. DRAFTING INFORMATION

The principal author of this notice is the Office of Associate Chief Counsel (Passthroughs & Special Industries). However, other personnel from the Treasury Department and the IRS participated in its development. For further information regarding this notice, call the energy security guidance contact number at (202) 317-6853 (not a toll-free number).

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[1] *Terms used in this notice have the meanings provided in Notice 2024-20.*

# Request for Comments Regarding Implementation of Saver's Match Contributions

# Notice 2024-65

## I. PURPOSE

This document requests comments on issues related to sections 103 and 104 of Division T of the Consolidated Appropriations Act, 2023, Public Law 117-328, 136 Stat. 4459 (2022), known as the SECURE 2.0 Act of 2022 (SECURE 2.0 Act). Section 103 of the SECURE 2.0 Act, in part, added section 6433 to the Internal Revenue Code (Code), which provides for matching contributions (Saver's Match contributions) paid by the Secretary of the Treasury (Secretary) to applicable retirement savings vehicles on behalf of eligible individuals who make qualified retirement savings contributions. Section 104 of the SECURE 2.0 Act requires the Department of the Treasury (Treasury Department) to take steps to increase public awareness of the availability of Saver's Match contributions and to provide a report to Congress on anticipated promotion efforts by the Treasury Department. The Treasury Department and the Internal Revenue Service (IRS) are soliciting comments to gather input from the public regarding all aspects of sections 103 (including section 6433 of the Code) and 104 of the SECURE 2.0 Act.

## II. BACKGROUND

Under section 6433 of the Code, for taxable years beginning after December 31, 2026, an eligible individual is allowed a Saver's Match contribution equal to an applicable percentage of up to $2,000 of qualified retirement savings contributions to a retirement account. A Saver's Match contribution is generally allowable as a tax credit that is payable by the Secretary as a contribution of up to $1,000 to an eligible individual's applicable retirement savings vehicle designated by the eligible individual. Section 6433(a)(2)(A) provides that a Saver's Match contribution must be made as soon as practicable after an eligible individual files a tax return making a claim for a Saver's Match contribution. Section 6433(a)(2)(B) provides that an individual who is eligible for a Saver's Match contribution of greater than zero but less than $100 for the taxable year may elect for the amount claimed to be treated as a refundable income tax credit (rather than contributed to the individual's applicable retirement savings vehicle).

Section 6433(b) provides that the maximum percentage of qualified retirement savings contributions eligible for Saver's Match contributions is 50 percent and is reduced over a phaseout range based on an eligible individual's modified adjusted gross income. While the $2,000 maximum amount of qualified retirement savings contributions under section 6433(a)(1) is not indexed for inflation, the modified adjusted gross income levels in the phaseout range are indexed for inflation. In determining the phaseout range, the modified adjusted gross income is determined based on the eligible individual's taxpayer filing status. For example, for most married filers, the phaseout range begins at $41,000 and ends at $71,000, and for most unmarried filers, the phaseout range begins at $20,500 and ends at $35,500.

Section 6433(c) provides that an eligible individual is an individual who has attained the age of 18 as of the close of the taxable year, other than an individual who is (1) a full-time student as defined in section 152(f)(2), (2) claimed as a dependent on another taxpayer's return for a taxable year beginning in the calendar year in which the individual's taxable year begins, or (3) a nonresident alien who meets certain conditions.

Section 6433(d)(1) provides that an eligible individual's qualified retirement savings contributions for a year are the sum of any of the following: (1) contributions to traditional and Roth individual retirement accounts and annuities (IRAs); (2) elective deferrals to a section 401(k) plan, a section 403(b) plan, a governmental section 457(b) plan, a SIMPLE IRA, or a Simplified Employee Pension (SEP) plan; (3) voluntary after-tax employee contributions to a qualified retirement plan or annuity or a section 403(b) plan; and (4) contributions to a section 501(c)(18) plan. Section 6433(d)(2)(A) provides that qualified retirement savings contributions for a taxable year are reduced (but not below zero) by the aggregate distributions received by the individual during a testing period from any IRA, plan, or annuity of a type to which qualified retirement savings contributions may be made. Section 6433(d)(2)(B) provides that the testing period is the period that includes (1) the taxable year during which qualified retirement savings contributions are made, (2) the two preceding taxable years, and (3) the period after the taxable year during which qualified retirement savings contributions are made and before the due date (including extensions) for filing the tax return for that taxable year. Section 6433(d)(2)(C) provides that certain distributions made during the testing period are not taken into account for purposes of the reduction, including any portion of a distribution that is rolled over to another retirement plan or IRA. Section 6433(d)(2)(D) provides that, for purposes of the reduction, any distribution received by the spouse of an eligible individual is treated as received by that eligible individual if the eligible individual and spouse file a joint return for the taxable year for which the Saver's Match contribution is claimed and for the taxable year during which the spouse receives the distribution.

Under section 6433(e)(2), an applicable retirement savings vehicle is an account or plan that (1) is a traditional (non-Roth) IRA or the non-Roth portion of a section 401(k) plan, a section 403(b) plan, or a governmental section 457(b) plan, (2) is for the benefit of an eligible individual, (3) accepts Saver's Match contributions, and (4) is designated by the eligible individual in such form and manner as the Secretary may provide.

Section 6433(f)(2)(A) provides that a Saver's Match contribution is treated as an elective deferral made by an eligible individual or as an IRA contribution (as applicable), except as provided by the Secretary under regulations. Section 6433(f)(2)(B) provides that the Saver's Match contribution is generally not taken into account with respect to retirement plan and IRA limitations. In addition, under section 6433(f)(2)(C), the Saver's Match contribution is not treated as an amount that may be paid, made available, or distributable to the eligible individual under section 401(k)(2)(B)(i)(IV) or 403(b)(7)

(A)(i)(V) (hardships), or section 457(d)(1)(A)(iii) (unforeseeable emergencies).

Section 6433(f)(3) provides that any applicable retirement savings vehicle to which a Saver's Match contribution is made is not treated as violating any requirements under section 401, 403, 408, or 457, as applicable, solely by reason of accepting that contribution.

Section 6433(f)(4)(A) provides that any Saver's Match contribution that was erroneously paid, including a payment that is not made to an applicable retirement savings vehicle, is treated as an underpayment of tax for the taxable year in which the Secretary determines that the payment was erroneous. Section 6433(f)(4)(B)(i) provides that, in the case of an erroneously paid Saver's Match contribution, the distribution of that contribution is excluded from income, and the 10 percent additional tax on early distributions does not apply to the distribution of that contribution or income attributable to such contribution, if the distribution of such amounts is received no later than the due date (including extensions) for filing the individual's tax return for such taxable year. Section 6433(f)(4)(B)(ii) provides that any plan or arrangement that makes a distribution of Saver's Match contributions that were erroneously paid is not treated as violating section 401, 403, or 457 solely by reason of making the distribution.

Section 6433(f)(5) provides that the Saver's Match contribution is not subject to certain reductions or offsets under section 6402 and is not reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection.

Section 6433(f)(6) provides that in the case of an applicable retirement savings vehicle to which contributions have been made under section 6433(a)(2) and from which a specified early distribution under section 6433(f)(6)(B) has been made during the taxable year, if the aggregate amount of those contributions exceeds the account balance of that savings vehicle at the end of the taxable year, an additional tax applies (Saver's Match Recovery tax). Section 6433(f)(6)(A) and (D) provide that this Saver's Match Recovery tax is equal to the amount of the excess described in the prior sentence, reduced by (1) the amount of the 10 percent additional tax on early distributions imposed by section 72(t)(1) that applies to such distribution and (2) allocable investment losses (pursuant to such rules prescribed by the Secretary as may be appropriate). Section 6433(f)(6)(B) provides that a specified early distribution is any portion of a distribution that is (1) made from the applicable retirement savings vehicle to which Saver's Match contributions have been made, (2) includible in gross income, and (3) subject to the 10 percent additional tax on early distributions imposed by section 72(t)(1).

Section 6433(f)(6)(C) provides that an eligible individual may also reduce the Saver's Match Recovery tax (but not below zero) for a taxable year during which a specified early distribution has been made by making additional contributions not in excess of the amount of the specified early distribution to an applicable retirement savings vehicle to which rollover contributions may be made. The Saver's Match Recovery tax is reduced to the extent of the additional contributions. The additional contributions must be made by the due date (including extensions) of the eligible individual's tax return for the taxable year in which the Saver's Match Recovery tax would otherwise be owed. In addition, an eligible individual's additional contributions to an applicable retirement savings vehicle that is not an IRA may only be made to the vehicle if the individual is otherwise eligible to make contributions to the vehicle. Under section 6433(f)(6)(C)(iv) and (v), these additional contributions are treated as having been transferred in a direct trustee-to-trustee transfer within 60 days of the specified early distribution.

Section 103(c)(2) of the SECURE 2.0 Act provides for the amendment of forms to require separate reporting of the aggregate amount of Saver's Match contributions received by an applicable retirement savings vehicle. Section 103(c)(2)(A) provides for the amendment of forms required under section 6058 of the Code for reporting the aggregate amount of Saver's Match contributions received by a retirement plan during a plan year. Section 103(c)(2)(B) of the SECURE 2.0 Act provides for similar reporting with respect to IRAs.

Section 104 of the SECURE 2.0 Act requires the Treasury Department to take steps to increase public awareness of Saver's Match contributions, and to provide a report to Congress no later than July 1, 2026, summarizing the anticipated promotional efforts. The report must include a description of plans for: (1) the development and distribution of digital and print materials, including the distribution of such materials to states for participants in state facilitated retirement savings programs; (2) the translation of such materials into the 10 most commonly spoken languages in the United States after English (as determined by reference to the most recent American Community Survey of the Bureau of the Census); and (3) communicating the adverse consequences of early withdrawal from an applicable retirement savings vehicle to which a matching contribution has been paid under section 6433(a)(2) of the Code, including the operation of the Saver's Match Recovery tax under section 6433(f)(6) and associated early withdrawal taxes. The report must also include such other information as the Secretary determines is necessary.

## III. REQUEST FOR COMMENTS

Saver's Match contributions represent a new approach to promoting retirement savings and an important opportunity to improve the long-term financial security for millions of low- to moderate-income Americans. Thoughtful and strategic preparation by the Treasury Department and the IRS, as well as other stakeholders, will be necessary for the program to reach its full potential in improving the retirement readiness of low- to moderate-income Americans. The Treasury Department and the IRS seek to implement Saver's Match contributions in a manner that will minimize costs and administrative burdens for all stakeholders, streamline the process for eligible individuals to claim Saver's Match contributions, and encourage retirement plans and IRAs to accept Saver's Match contributions so that Saver's Match contributions are consolidated with other retirement assets. Comments are requested from the perspective of all interested stakeholders, including eligible individuals, volunteer and for-profit tax preparers, organizations that

serve and advise eligible individuals, IRA custodians and trustees, and retirement plan administrators, recordkeepers, and sponsors, to gain a better understanding of the issues related to the implementation of, and compliance with, this provision. Specifically, the Treasury Department and the IRS request comments that address the following questions:

A. *Eligibility for Saver's Match Contributions*

*Question 1*: What practical considerations should the Treasury Department and the IRS take into account in guidance regarding an individual's eligibility for Saver's Match contributions? In particular, what guidance would be helpful to explain the exclusion from eligibility for certain nonresident aliens under section 6433(c)(3) (an exclusion that does not apply under the Saver's Credit under section 25B), application of the modified adjusted gross income limit under section 6433(b), and the determination of qualified retirement savings contributions under section 6433(d) (taking into account the effect of certain distributions under section 6433(d)(2))?

*Question 2*: In order to be eligible for a Saver's Match contribution, an eligible individual must make qualified retirement savings contributions. What are the relevant barriers individuals face in making qualified retirement savings contributions, including any unique barriers faced by specific underserved communities? For example, do individuals face barriers in learning about or becoming aware of available retirement savings opportunities and are there platforms and forums that could be used to inform individuals of opportunities and encourage retirement savings? How can the Treasury Department and the IRS help individuals overcome these barriers and encourage individuals to make qualified retirement savings contributions and claim Saver's Match contributions?

B. *How Saver's Match Contributions Are Claimed*

*Question 3*: What considerations should the Treasury Department and the IRS take into account regarding the method (such as an IRS form or other means) by which an eligible individual must claim Saver's Match contributions (including ways in which the method used should differ from the existing Form 8880, *Credit for Qualified Retirement Savings Contributions*, used to claim the Saver's Credit under section 25B)? If a form for claiming Saver's Match contributions is based on the Form 8880, how should that form be modified?

*Question 4*: Taking into account that eligibility for the Saver's Match contribution is based, in part, on an eligible individual's modified adjusted gross income and filing status, should eligible individuals be required to file a Form 1040, *U.S. Individual Income Tax Return*, in order to claim a Saver's Match contribution, or should a standalone form that requires relevant information be provided that does not require an accompanying Form 1040 be used (for individuals who are not required to file a Form 1040 due to income level)?

*Question 5*: What methods should the Treasury Department and the IRS consider in order to simplify, from the perspective of eligible individuals, the procedure for an eligible individual to claim Saver's Match contributions and designate an applicable retirement savings vehicle?

*Question 6*: For an eligible individual whose Saver's Match contribution amount for a year would be less than $100, what considerations should the Treasury Department and the IRS take into account regarding the eligible individual's option to have that amount be treated as a refundable income tax credit? For example, what should the default election be if an eligible individual claims a Saver's Match contribution amount for a year that is less than $100, but fails to affirmatively elect an applicable retirement savings vehicle to receive the Saver's Match contribution?

C. *How to Designate the Destination for Saver's Match Contributions*

*Question 7*: How should eligible individuals designate an IRA as an applicable retirement savings vehicle to receive Saver's Match contributions? What would be the best method for IRA trustees and custodians to communicate to eligible individuals (including through existing procedures such as using a password-protected website) the information (including account and routing information) needed to claim Saver's Match contributions? For example, should the IRS use the same method for designating an IRA to which tax refunds are paid via direct deposit (using a form similar to Form 8888, *Allocation of Refund (Including Savings Bond Purchases)*), which requires identification of account and routing numbers? Alternatively, should a method be provided for IRA trustees and custodians (or other service providers) to provide to the IRS information identifying account and routing numbers without requiring the eligible individual to provide that information, and if so, what method should the Treasury Department and the IRS consider?

*Question 8*: How should eligible individuals designate a retirement plan as an applicable retirement savings vehicle to receive Saver's Match contributions? What would be the best method for retirement plans to communicate to eligible individuals the information (including account and routing information) needed to claim Saver's Match contributions? For example, should a method be provided for plan service providers to provide to the IRS information identifying a trustee's (or other service provider's) account and routing numbers without requiring the eligible individual to provide that information?

*Question 9*: Should the IRS provide to the trustee or other service provider allocation directions in an addenda record associated with an Automated Clearing House (ACH) transaction? Are there other approaches to providing allocation directions that the IRS should consider, such as a participating service provider registration process in which service providers access allocation instructions in another format? What information would the IRS need to provide as part of an addenda record or other similar approach to facilitate Saver's Match contributions? Would the information required differ between retirement plans and IRAs?

*Question 10*: What steps could be taken to ensure that a Saver's Match contribution is correctly made to an eligible individual's applicable retirement savings vehicle? What steps could be taken to prevent the disbursement of Saver's Match contributions to an ineligible account, such as a Roth IRA (which, under section 6433(e)(2)(A)(ii), may not receive Sav-

er's Match contributions and is, thus, not an applicable retirement savings vehicle), particularly if the eligible individual provides account and routing information to designate the retirement account?

*Question 11*: If a payment is erroneously made to an account that is not an applicable retirement savings vehicle, section 6433(f)(4) requires the amount to be treated as an underpayment of tax for the taxable year in which the Secretary determines the payment was erroneous. What considerations should the Treasury Department and the IRS take into account regarding the treatment of erroneous Saver's Match contributions, including if an applicable retirement savings vehicle returns a Saver's Match contribution to the Treasury Department?

D. *How the Treasury Department Completes Saver's Match Contributions*

*Question 12*: How can the Treasury Department and the IRS assist eligible individuals who make qualified retirement savings contributions to a Roth IRA and who do not otherwise participate in an IRA or retirement plan that accepts Saver's Match contributions? For example, certain states require employers to provide automatic Roth IRA contributions for individuals who do not otherwise participate in an employer-sponsored retirement plan and do not elect out of the automatic contributions. Would there be significant cost savings in facilitating a streamlined approach for opening up a traditional IRA in state automatic Roth IRA programs and, if so, what IRS guidance would be helpful for these programs to realize these cost savings?

*Question 13*: In connection with Form 8888 (which permits a taxpayer to designate an IRA as a recipient of tax refunds), a Treasury Department website includes Frequently Asked Questions (https://www.fiscal.treasury.gov/eft/faq-tax-refund.html) relating to the process for paying tax refunds via direct deposit, including to IRAs. For example, the Frequently Asked Questions relating to the process for paying tax refunds to IRAs include information on procedures that apply if a refund is transmitted into an incorrect account, fraud is suspected, or the refund is returned. Should similar information be provided with respect to the payment of Saver's Match contributions to a designated IRA or retirement plan or is different or additional information needed?

*Question 14:* What practical or administrative considerations should be taken into account with regard to the process for contributing Saver's Match contributions to a designated IRA or retirement plan? For example, each tax refund paid electronically is currently sent via a separate ACH transaction, even if there are millions of separate ACH transactions sent to the same financial institution. Would any issues arise if each Saver's Match contribution was also sent via a separate ACH transaction? In the alternative, should a procedure be developed by which Saver's Match contributions for multiple eligible individuals are batched together with respect to payments made to a particular retirement savings vehicle or with respect to payments made to a particular trustee, custodian, or recordkeeper?

*Question 15*: What considerations should the Treasury Department and the IRS take into account if the Saver's Match contribution cannot be completed (for example, if an eligible individual makes a claim for a Saver's Match contribution, but does not properly designate an applicable retirement savings vehicle to receive the Saver's Match contribution, makes a mistake in entering information relating to the designated vehicle, or ceases to participate in the designated vehicle prior to the payment of the Saver's Match contribution)? For example, should a default destination be developed (perhaps modeled after rules for automatic portability transactions with respect to automatic cash-outs of small retirement plan benefits, as described in the preamble of the Department of Labor proposed Automatic Portability Transaction Regulations, 89 FR 5624, 5625, Jan. 29, 2024)?

*Question 16*: Should the Treasury Department and the IRS consider developing a process by which the IRS sends information in advance to an applicable retirement savings vehicle about anticipated Saver's Match contributions, similar to the process by which payroll providers preview contributions to retirement plans so that the plans can identify any issues before remittance? If so, how should this process work, and can this process be implemented to minimize burdens on stakeholders and address privacy risks?

E. *Saver's Match Recovery Tax on Specified Early Distributions*

*Question 17*: If an individual receives a specified early distribution before reaching age 59½ (and no exception to the additional tax under section 72(t) applies), that distribution may be subject to a Saver's Match Recovery tax under section 6433(f)(6) in addition to income tax. The Saver's Match Recovery tax is reduced by the 10% additional tax liability under section 72(t) applicable to the specified early distribution. How can the IRS facilitate calculating and reporting of the Saver's Match Recovery tax? For example, Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*, is used by taxpayers to claim exceptions to the section 72(t) additional tax and to pay additional taxes on retirement plans, IRAs, and other tax-favored accounts. Should a similar method be used with respect to reporting the Saver's Match Recovery tax?

*Question 18*: For purposes of calculating the Saver's Match Recovery tax, what guidance would be helpful regarding the treatment of rollovers and transfers from an applicable retirement savings vehicle that has received Saver's Match contributions (for example, with respect to the possible application of the Saver's Match Recovery tax to subsequent distributions)?

*Question 19*: Section 6433(f)(6)(D) provides that the Secretary may provide rules for reducing the amount of the Saver's Match Recovery tax by the allocable investment losses in an applicable retirement savings vehicle. What guidance would be helpful with respect to the determination of investment losses in a particular applicable retirement savings vehicle? For example, as an alternative to allocating investment losses in the applicable retirement savings vehicle, would it be burdensome for retirement plans and IRAs to have a method of accounting for separate sources (such as maintaining a subaccount) for Saver's Match contributions?

*Question 20:* Section 6433(f)(6)(C) provides rules for a reduction in the Saver's Match Recovery tax on account of

a recontribution by an eligible individual of a specified early distribution. What guidance would be helpful with respect to these recontributions? For example, does the method of reporting recontributions of qualified disaster distributions on Form 8915-F, *Qualified Disaster Retirement Plan Distributions and Repayments*, provide a model that could be used for recontributions of specified early distributions?

F. *Reporting and Disclosure*

*Question 21*: Section 103(c)(2) of the SECURE 2.0 Act directs the Secretary to amend forms relating to reports required under section 6058 of the Code for retirement plans (for example, Form 5500 series)[0] to require reporting of aggregate amounts of Saver's Match contributions received by an applicable retirement savings vehicle during a year and to require similar reporting relating to IRAs (for example, Form 5498, *IRA Contribution Information*). How can these forms be amended in a manner that reduces administrative burdens for retirement plans and IRA trustees and custodians?

*Question 22*: What information should be required to be available to assist eligible individuals in determining whether a particular IRA or retirement plan will accept Saver's Match contributions, and where should that information be located? Should plan administrators and IRA trustees and custodians be required to provide an annual written notification to retirement plan participants and IRA owners describing the availability of Saver's Match contributions with respect to qualified retirement savings contributions to the retirement plan or IRA (and, if Saver's Match contributions are not accepted, that the eligible individual can claim Saver's Match contributions by identifying another applicable retirement savings vehicle)? For example, under § 1.401(k)-3(d)(2)(ii)(B), a safe harbor notice must describe any contributions under a safe harbor plan for matching contributions to another retirement plan on account of elective contributions or employee contributions under the retirement plan. If an annual written notification is required, what information should be included to encourage eligible individuals to claim Saver's Match contributions?

G. *Miscellaneous Issues*

*Question 23*: Other than issues under the Code, are there any issues under applicable Federal, state, or local law that are a cause for concern regarding the operation of the rules for Saver's Match contributions?

*Question 24*: Are there any methods or procedures not previously discussed that would minimize costs and administrative burdens across stakeholders implementing Saver's Match contributions, encourage retirement plans and IRA custodians to accept Saver's Match contributions, and streamline the process for eligible individuals to claim Saver's Match contributions?

*Question 25*: Retirement plans and IRAs that accept Saver's Match contributions will need to be amended to provide for those contributions. What considerations should the Treasury Department and the IRS take into account regarding the content and timing of these amendments, including with respect to pre-approved retirement plans and IRAs? What guidance would be helpful with respect to these amendments?

*Question 26*: The Treasury Department and the IRS anticipate issuing written guidance, publications, and updated forms and instructions. What additional efforts would be helpful to promote and increase public awareness for Saver's Match contributions (including with respect to different demographic groups, such as individuals for whom English is not their primary language)? Are there any online tools (for example, calculators or social media-based tools) that the Treasury Department and the IRS should utilize or develop to encourage contributions to applicable retirement savings vehicles, promote the claiming of Saver's Match contributions, and facilitate the administration of Saver's Match contributions?

*Question 27*: Are there ways that the Treasury Department and the IRS can use innovative technology, such as blockchain technology, to facilitate Saver's Match contributions?

*Question 28*: What guidance, if any, would be helpful relating to the transition from the Saver's Credit under section 25B to Saver's Match contributions under section 6433?

*Question 29*: Although Saver's Match contributions generally are treated as elective deferrals, including for purposes of applying distribution limitations, section 6433(f)(2)(C) provides that Saver's Match contributions are not treated as amounts that may be paid, made available, or distributable to an eligible individual in the case of a hardship distribution under section 401(k)(2)(B)(i)(IV) or 403(b)(7)(A)(i)(V), or an unforeseeable emergency distribution under section 457(d)(1)(A)(iii). What guidance, if any, would be helpful regarding implementation of this provision by plan administrators, for example, regarding separate accounting of Saver's Match contributions?

## IV. SUBMISSION OF COMMENTS

Written comments should be submitted on or before November 4, 2024. Consideration will be given, however, to any written comment submitted after November 4, 2024, if such consideration will not delay the issuance of guidance. The subject line for the comments should include a reference to Notice 2024-65. Comments may be submitted in one of two ways:

(1) Electronically via the Federal eRulemaking Portal at www.regulations.gov (type IRS-2024-0034 in the search field on the regulations.gov homepage to find this notice and submit comments).

(2) Alternatively, by mail to: Internal Revenue Service, CC:PA:01:PR (Notice 2024-65), Room 5203, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

All commenters are strongly encouraged to submit comments electronically. The Treasury Department and the IRS will publish for public availability any

[1] *Form 5500 series returns include Form 5500, Annual Return/Report of Employee Benefit Plan, Form 5500-SF, Short Form Annual Return/Report of Small Employee Benefit Plan, and Form 5500-EZ, Annual Return of A One Participant (Owners/Partners and Their Spouses) Retirement Plan or A Foreign Plan.*

comment submitted electronically, or on paper, to its public docket on regulations.gov.

**V. DRAFTING INFORMATION**

The principal author of this notice is Tom Morgan of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). However, other personnel from the Treasury Department and the IRS participated in its development. For further information regarding this notice, please contact Mr. Morgan at (202) 317-6700 (not a toll-free number).

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*26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.*
*(Also Part 1, §§ 36B, 1.36B-2, 1.36B-3.)*

# Rev. Proc. 2024-35

**SECTION 1. PURPOSE**

This revenue procedure provides the applicable percentage table (Applicable Percentage Table) in § 36B(b)(3)(A) of the Internal Revenue Code (Code)[1] for taxable years beginning in calendar year 2025.[2] This table is used to calculate an individual's premium tax credit under § 36B. This revenue procedure also provides the indexing adjustment for the required contribution percentage (Required Contribution Percentage) in § 36B(c)(2)(C)(i)(II) for plan years beginning in calendar year 2025. This percentage is used to determine whether an individual is eligible for affordable employer-sponsored minimum essential coverage under § 36B.

**SECTION 2. ADJUSTED ITEMS**

.01 *Applicable Percentage Table for 2025*. For taxable years beginning in calendar year 2025, the Applicable Percentage Table for purposes of § 36B(b)(3)(A) and § 1.36B-3(g) is:

| Household income percentage of Federal poverty line: | Initial percentage | Final percentage |
|---|---|---|
| Less than 150% | 0.00% | 0.00% |
| At least 150% but less than 200% | 0.00% | 2.00% |
| At least 200% but less than 250% | 2.00% | 4.00% |
| At least 250% but less than 300% | 4.00% | 6.00% |
| At least 300% but less than 400% | 6.00% | 8.50% |
| At least 400% and higher | 8.50% | 8.50% |

.02 *Required Contribution Percentage for 2025*.

(1) Section 9661 of the ARPA and § 12001(a) of the IRA did not amend the rules under § 36B(c)(2)(C)(iv) relating to the Required Contribution Percentage, including the rules relating to the indexing of the Required Contribution Percentage. *See* § 36B(b)(3)(A)(iii)(I). The Required Contribution Percentage for plan years beginning in calendar year 2025 is indexed based on the rates of premium growth relative to the rates of income growth in guidance issued by the Department of Health and Human Services (HHS).[3] In addition, the additional adjustment provided in § 36B(b)(3)(A)(ii)(II) is not required for plan years beginning in 2025 because the Department of the Treasury and the Internal Revenue Service have determined that the failsafe exception described in § 36B(b)(3)(A)(ii)(III) applies for plan years beginning in calendar year 2025.

(2) For plan years beginning in calendar year 2025, the Required Contribution Percentage for purposes of § 36B(c)(2)(C)(i)(II) and § 1.36B-2(c)(3)(v)(C) is 9.02%.

**SECTION 3. EFFECT ON OTHER DOCUMENTS**

Rev. Proc. 2014-37, 2014-2 C.B. 363, is supplemented.

**SECTION 4. EFFECTIVE DATE**

This revenue procedure is effective for taxable years and plan years beginning in calendar year 2025.

**SECTION 5. DRAFTING INFORMATION**

The principal author of this revenue procedure is Clara L. Raymond of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue procedure, contact Ms. Raymond at (202) 317-4718 (not a toll-free number).

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[1] *Unless otherwise specified, all "section" or "§" references are to sections of the Code or the Income Tax Regulations (26 CFR part 1).*

[2] *Section 9661 of the American Rescue Plan Act of 2021, Public Law 117-2, 135 Stat. 4, 182 (2021) (ARPA), added § 36B(b)(3)(A)(iii) to the Code to provide an Applicable Percentage Table that applies for taxable years beginning in calendar years 2021 and 2022. Section 12001(a) of the Inflation Reduction Act of 2022, Public Law 117-169, 136 Stat. 1818, 1905 (2022) (IRA) extended to taxable years beginning in calendar years 2023-2025 the Applicable Percentage Table enacted by the ARPA. Section 36B(b)(3)(A)(iii) also suspends indexing of the Applicable Percentage Table for taxable years 2021-2025.*

[3] *The rate of premium growth and the rate of income growth for calendar year 2025 are calculated using the NHEA Projections, 2022-2031, available at: https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected, which reflect the most recent projections, and the methodology used to calculate the same rates of growth in the Premium Adjustment Percentage guidance for the 2025 benefit year published by the Center for Medicare and Medicaid Services on November 15, 2023, available at: https://www.cms.gov/files/document/2025-papi-parameters-guidance-2023-11-15.pdf.*

# Part IV

## Deletions From Cumulative List of Organizations, Contributions to Which are Deductible Under Section 170 of the Code

## Announcement 2024-39

Table of Contents

The Internal Revenue Service has revoked its determination that the organizations listed below qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986.

Generally, the IRS will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the IRS is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on July 15, 2024, and would end on the date the court first determines the organization is not described in section 170(c)(2) as more particularly set for in section 7428(c)(1). For individual contributors, the maximum deduction protected is $1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

| Name Of Organization | Effective Date of Revocation | Location |
|---|---|---|
| Muse Foundation of New York Inc | 1/1/2020 | New York, NY |
| Ina Haynes Foundation, Inc. | 1/1/2020 | Tempe, AZ |

# Notice of Proposed Rulemaking

# REG-111629-23

# Guidance Regarding Elections Relating to Foreign Currency Gains and Losses

**AGENCY**: Internal Revenue Service (IRS), Treasury.

**ACTION**: Notice of proposed rulemaking; partial withdrawal of proposed rulemaking.

**SUMMARY**: This document contains proposed regulations regarding the time for making and revoking certain elections relating to foreign currency gain or loss.

**DATES**: Written or electronic comments and requests for a public hearing must be received by October 21, 2024. As of August 19, 2024, proposed §1.954-2(g)(3)(iii) and (g)(4)(iii) and proposed §1.988-7(c) through (e), contained in the notice of proposed rulemaking published in the ***Federal Register*** of December 19, 2017 (82 FR 60135), are withdrawn.

**ADDRESSES**: Commenters are strongly encouraged to submit public comments electronically via the Federal eRulemaking Portal at *www.regulations.gov* (indicate IRS and REG-111629-23) by following the online instructions for submitting comments. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury ("Treasury Department") and the IRS will publish for public availability any comments submitted to the IRS's public docket. Send hard copy submissions to: CC:PA:01:PR (REG-111629-23), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

**FOR FURTHER INFORMATION CONTACT:** Concerning proposed §1.954-2(g)(3)(ii) and (iii) and (g)(4)(iii), Edward Tracy at (202) 317-6934; concerning proposed §1.988-7(c) and (d), Shane Ward at (202) 317-6938; concerning submissions of comments or requests for a public hearing, Vivian Hayes at (202) 317-6901 (not toll free numbers) or publichearings@irs.gov.

**SUPPLEMENTARY INFORMATION:**

**Background**

I. *Elections Under §1.954-2(g)*

In general, section 954(c)(1)(D) of the Internal Revenue Code and §1.954-2(g) provide that foreign personal holding company income ("FPHCI") includes the excess of foreign currency gains over foreign currency losses attributable to any section 988 transactions. Under §1.954-2(g)(3) and (4), two different elections are available to United States shareholders ("U.S. shareholders") that are controlling United States shareholders ("controlling U.S. shareholders") of a controlled foreign corporation ("CFC") with respect to the CFC's computation of its FPHCI. First, under §1.954-2(g)(3), controlling U.S. shareholders may elect to exclude foreign currency gain or loss otherwise includible in the CFC's FPHCI computation under §1.954-2(g) and instead include such foreign currency gain or loss in the category (or categories) of subpart F income to which such gain or loss relates (the "§1.954-2(g)(3) election"). Second, §1.954-2(g)(4) provides that controlling U.S. shareholders may elect to treat as FPHCI all foreign currency gains or losses attributable to any section 988 transaction (except those described in §1.954-2(g)(5)) and any section 1256 contract that would be a section 988 transaction but for section 988(c)(1)(D) (the "§1.954-2(g)(4) election" and, together with the §1.954-2(g)(3) election, the "§1.954-2(g) elections"). A §1.954-2(g)(4) election supersedes a §1.954-2(g)(3) election. Under §1.954-2(g)(3)(ii) and (g)(4)(ii), controlling U.S. shareholders make either of the §1.954-2(g) elections on behalf of the CFC by filing a statement with their original income tax return for the "taxable year of [the U.S. shareholders] ending with or within the taxable year of the [CFC]" for which the election is made, clearly indicating that the election has been made.

II. *Revocations Under §1.954-2(g)(3)(iii) and (g)(4)(iii) and Proposed §1.954-2(g)(3)(iii) and (g)(4)(iii)*

Under §1.954-2(g)(3)(iii) and (g)(4)(iii), a CFC's controlling U.S. shareholders may revoke a §1.954-2(g) election by or with the consent of the Commissioner. As part of the 2017 notice of proposed rulemaking in respect of §1.988-7 (the "2017 proposed regulations") (described further in sections III and IV of this Background section of the preamble), revisions were proposed to the rules for revoking §1.954-2(g) elections. 82 FR 60135, 60142-60143. Under the 2017 proposed regulations, a CFC's controlling U.S. shareholders would be permitted to revoke the CFC's §1.954-2(g) election at any time. Proposed §1.954-2(g)(3)(iii) and (g)(4)(iii). Further, the 2017 proposed regulations would provide that if the election is revoked, a new election cannot be made until the sixth taxable year following the year in which the previous election was revoked, and the subsequent election cannot be revoked until the sixth taxable year following the year in which the subsequent election was made. *Id.* Similar to the procedure for making §1.954-2(g) elections, a CFC's controlling U.S. shareholders would revoke §1.954-2(g) elections on behalf of the CFC under the 2017 proposed regulations by filing a statement that clearly indicates that the election has been revoked with their original or amended income tax returns for "the taxable year of [the U.S. shareholders] ending with or within the taxable year of the [CFC] for which the election is revoked." *Id.* The 2017 proposed regulations permitted taxpayers to rely on proposed §1.954-2(g)(3)(iii) and (g)(4)(iii) to revoke §1.954-2(g) elections for taxable years ending on or after December 19, 2017, subject to a consistency requirement. 82 FR 60135, 60141.

III. *Election Under Proposed §1.988-7(c)*

Under the 2017 proposed regulations, a taxpayer, including a CFC, would be permitted to elect to use a mark-to-market

method of accounting for section 988 gain or loss with respect to certain section 988 transactions (the "proposed §1.988-7 election"). Proposed §1.988-7(a). Under proposed §1.988-7(c) of the 2017 proposed regulations, a taxpayer makes a proposed §1.988-7 election by filing a statement that clearly indicates that the election has been made with its timely-filed original Federal income tax return for the taxable year for which the election is made. In the case of a CFC, the controlling U.S. shareholders make the proposed §1.988-7 election on behalf of the CFC by filing a statement that clearly indicates that the election has been made with their timely-filed, original Federal income tax returns for the "taxable year of [the U.S. shareholders] ending with or within the taxable year of the [CFC] for which the election is made." The preamble to the 2017 proposed regulations stated that taxpayers are permitted to rely on proposed §1.988-7(c) to make a proposed §1.988-7 election for taxable years ending on or after December 19, 2017, subject to a consistency requirement. 82 FR 60135, 60141.

IV. *Revocation Under Proposed §1.988-7(d)*

Under the 2017 proposed regulations, a taxpayer, including a CFC, would be permitted to revoke its proposed §1.988-7 election at any time. Proposed §1.988-7(d). Further, the 2017 proposed regulations provided that if a proposed §1.988-7 election has been revoked, a new proposed §1.988-7 election cannot be made until the sixth taxable year following the year in which the previous election was revoked, and a subsequent election cannot be revoked until the sixth taxable year following the year in which the subsequent election was made. *Id.* Under the 2017 proposed regulations, a taxpayer would revoke a proposed §1.988-7 election by filing a statement that clearly indicates that the election has been revoked with its original or amended Federal income tax return for the taxable year for which the election is revoked. *Id.* The preamble to the 2017 proposed regulations stated that taxpayers are permitted to rely on proposed §1.988-7(d) to revoke a proposed §1.988-7 election for taxable years ending on or after December 19, 2017, subject to a consistency requirement. 82 FR 60135, 60141.

**Explanation of Provisions**

I. *Proposed Modification to §1.954-2(g)(3)(ii) and Withdrawal and Re-Proposal of Proposed §1.954-2(g)(3)(iii) and (g)(4)(iii)*

The Treasury Department and the IRS have received several inquiries regarding the procedure for making §1.954-2(g) elections. Specifically, practitioners have noted that the language of §1.954-2(g)(3)(ii) is inconsistent with other filing requirements with respect to CFCs, which generally must be filed by U.S. shareholders for the taxable year of a CFC that ends with or within the taxable year of the U.S. shareholders. *See, e.g.*, §§1.964-1(c)(3)(ii) and 1.951A-2(c)(7)(viii)(A)(*1*)(*i*). Additionally, the practitioners noted that under §1.954-2(g)(3)(ii), inconsistencies in treatment can arise between a controlling U.S. shareholder that owns a CFC with a matching taxable year and a controlling U.S. shareholder that owns a CFC with a short year or whose taxable year differs from the controlling U.S. shareholder's taxable year. With respect to CFCs with short years, a controlling U.S. shareholder will be prevented from making §1.954-2(g) elections for those years if no year of the controlling U.S. shareholder ends with or within the CFC's short year.

To address the issues raised by practitioners' inquiries, and to promote consistency with other filing requirements with respect to CFCs, these proposed regulations would revise §1.954-2(g)(3)(ii) to provide that controlling U.S. shareholders make a §1.954-2(g) election on behalf of a CFC by filing a statement with their original income tax returns for the taxable years of the controlling U.S. shareholders in which or with which the taxable year of the CFC for which the election is made ends, clearly indicating that the election has been made. Additionally, these proposed regulations withdraw proposed §1.954-2(g)(3)(iii) and (g)(4)(iii) as included in the 2017 proposed regulations and re-propose them to provide that controlling U.S. shareholders revoke a §1.954-2(g) election on behalf of a CFC by filing a statement with their original income tax returns for the taxable years of the controlling U.S. shareholders in which or with which the taxable year of the CFC for which the revocation is made ends, clearly indicating that the §1.954-2(g) election has been revoked.

Under newly proposed §1.954-2(g)(3)(iii) and (g)(4)(iii), however, controlling U.S. shareholders would be precluded from revoking a §1.954-2(g) election made on behalf of a CFC (including an initial election) until the sixth taxable year following the year in which the election was made. Further, proposed §1.954-2(g)(3)(iii) and (g)(4)(iii) would provide that if a CFC's controlling U.S. shareholders revoke a §1.954-2(g) election, they may not make a new §1.954-2(g) election on behalf of the CFC until the sixth taxable year following the year in which the previous election was revoked. This change to the revocation rules under proposed §1.954-2(g)(3)(iii) and (g)(4)(iii) would limit taxpayers from opportunistically making or revoking a §1.954-2(g) election; for example, this change would limit taxpayers' ability to selectively recognize certain foreign currency losses. The Treasury Department and the IRS request comments on this aspect of proposed §1.954-2(g)(3)(iii) and (g)(4)(iii).

II. *Proposed Amendments to Proposed §1.988-7(c) and (d)*

The Treasury Department and the IRS are of the view that the rules for making and revoking a proposed §1.988-7 election under the 2017 proposed regulations provided an excessive amount of flexibility. The 2017 proposed regulations would have permitted a taxpayer to make a proposed §1.988-7 election after the end of the year to which the election would apply, which would give the taxpayer the ability to determine with certainty whether the election would be beneficial for that year. For example, and as one comment noted, the ability to make and revoke an initial election without restriction would provide a one-time opportunity to selectively recognize foreign currency losses by making an initial election for a particular year after the taxpayer has determined that it has net foreign currency losses on section 988 transactions for a taxable year and then immediately revoking the election.

Upon further consideration of the 2017 proposed regulations and the comments received, the Treasury Department and the IRS are of the view that the time for making and revoking a proposed §1.988-7 election (permitting a taxpayer to use a mark-to-market method of accounting for section 988 gain or loss with respect to section 988 transactions) should accord with the time for making and revoking an election under section 475(e) or (f) (a "section 475 election") (permitting a dealer in commodities or a trader in securities or commodities to use the mark-to-market method of accounting). The Treasury Department and the IRS are of the view that aligning proposed §1.988-7 with the rules for making a section 475 election will deter selectively recognizing losses. The rules for making or revoking a section 475 election deter taxpayers from selectively recognizing losses by requiring that taxpayers generally make an election on the tax return for the year immediately preceding the year to which the election applies, *see* section 5.03 of Rev. Proc. 99-17, 1999-1 C.B. 503, 504–505, and then by requiring taxpayers to apply that election to all subsequent years unless the taxpayers obtain the consent of the Commissioner. *See* section 475(e)(3) and (f)(3). The Treasury Department and the IRS expect that implementing similar rules for making a proposed §1.988-7 election would also prevent selective recognition of losses. The Treasury Department and the IRS also expect that aligning the rules for making a proposed §1.988-7 election with the rules for making a section 475 election will foster compliance, especially for those taxpayers already making a section 475 election, by providing the same procedures for making or revoking these elections to adopt a mark-to-market method of accounting. As a result, these proposed regulations would permit taxpayers to make and revoke a proposed §1.988-7 election under rules similar to the rules for making and revoking a section 475 election.

Proposed §1.988-7(d) would provide that the election made pursuant to proposed §1.988-7(c) is subject to rules similar to those imposed on section 475 elections. The election would be effective for the taxable year for which it is made and all subsequent years. Proposed §1.988-7(d) also would provide that a taxpayer may revoke the election only with the consent of the Commissioner.

To adopt a method of accounting as described in proposed §1.988-7, a taxpayer must receive the consent of the Commissioner to implement that change of accounting method in accordance with the applicable administrative procedures provided in the Internal Revenue Bulletin. Section 446(e); §1.446-1(e)(2); *see also* Rev. Proc. 2015-13, 2015-5 I.R.B. 419; Rev. Proc. 2024-1, 2024-1 I.R.B. 1. When these proposed regulations are finalized, the Treasury Department and the IRS expect to issue a revenue procedure setting forth the terms and conditions under which a change of method of accounting with respect to the mark-to-market method under §1.988-7 will be granted. The Treasury Department and the IRS anticipate that these terms and conditions will address: whether this change should be subject to a cutoff method or another method requiring a section 481(a) adjustment; the appropriate circumstances under which a taxpayer must establish a substantial business reason for the change; whether there are appropriate circumstances under which an automatic change in method of accounting should be permitted; and the extent to which these terms and conditions should incorporate or deviate from the terms and conditions for changing a mark-to-market method of accounting under section 475(e) or (f), see section 24 of Rev. Proc. 2024-23.

The Treasury Department and the IRS solicit comments regarding all aspects of the rules for making and revoking the proposed §1.988-7 election, including the terms and conditions under which a change of method of accounting with respect to the mark-to-market method under §1.988-7 will be granted and whether to require that related parties apply a proposed §1.988-7 election in a consistent manner, such as in the case of a section 987 election under proposed §1.987-1(g)(2) (88 FR 78134, 78164–78165). Comments submitted pursuant to the 2017 proposed regulations will also be considered.

III. *Other Nonsubstantive Changes*

These proposed regulations would make nonsubstantive changes to §1.954-2(g)(3)(ii) and re-proposed §1.954-2(g)(3)(iii) and (g)(4)(iii). These changes are intended to improve the clarity of those regulations, including by updating the cross-references to the definition of controlling U.S. shareholders from "§1.964-1(c)(5)" to "§1.964-1(c)(5)(i)" to more precisely reference the definition with respect to CFCs and not other foreign corporations, and by providing that a §1.954-2(g) election must be made on a timely-filed, original Federal income tax return for consistency with proposed §1.988-7 elections.

IV. *Applicability Dates*

These proposed regulations generally are proposed to apply to taxable years ending on or after the date of publication of the Treasury decision adopting these rules as final regulations in the Federal Register (the "finalization date"). *See* proposed §§1.954-2(i)(3) and 1.988-7(e). The remainder of this section of the preamble discusses taxpayers' ability to rely on the proposed regulations and the treatment of certain elections, or revocation of elections, made in earlier periods.

A. *Section 954 regulations*

For taxable years ending before the finalization date, taxpayers may rely on proposed §1.954-2(g)(3)(ii) and re-proposed §1.954-2(g)(3)(iii) and (g)(4)(iii) in making and revoking §1.954-2(g) elections, provided that they consistently apply proposed §1.954-2(g)(3)(ii) and (iii) and (g)(4)(iii) to such taxable years. Furthermore, with respect to any taxpayer that made a §1.954-2(g) election in the manner set forth in proposed §1.954-2(g)(3)(ii) of these proposed regulations for a taxable year beginning after November 6, 1995 (as provided in TD 8618, 60 FR 46517, 46527), and ending before August 19, 2024, and any taxpayer that revoked a §1.954-2(g) election in the manner set forth in proposed §1.954-2(g)(3)(iii) or (g)(4)(iii) of these proposed regulations for a taxable year ending on or after December 19, 2017, and before August 19, 2024, the IRS will respect such election or revocation as having been timely made for the relevant taxable year. Taxpayers may no longer rely on proposed §1.954-2(g)(3)

(iii) and (g)(4)(iii) included in the 2017 proposed regulations for taxable years ending after August 19, 2024.

B. *Section 988 regulations*

For taxable years ending before the finalization date, taxpayers may rely on proposed §1.988-7(c) and (d) in making and revoking the proposed §1.988-7 election, provided that they consistently apply proposed §1.988-7(c) and (d) to such taxable years. Furthermore, if a taxpayer made or revoked a proposed §1.988-7 election on behalf of a CFC pursuant to the reliance provided by 82 FR 60135, 60141, but filed the election or revocation in the manner set forth in proposed §1.988-7(c)(3)(ii), the IRS will respect such election or revocation as having been timely made for the relevant taxable year. However, as of August 19, 2024, taxpayers may no longer rely on proposed §1.988-7(c) and (d) included in the 2017 proposed regulations, except to make elections for taxable years beginning on or before August 19, 2024.

**Special Analyses**

I. *Regulatory Planning and Review – Economic Analysis*

Pursuant to the Memorandum of Agreement, Review of Treasury Regulations under Executive Order 12866 (June 9, 2023), tax regulatory actions issued by the IRS are not subject to the requirements of section 6 of Executive Order 12866, as amended. Therefore, a regulatory impact assessment is not required.

II. *Paperwork Reduction Act*

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) (''PRA'') generally requires that a Federal agency obtain the approval of the Office of Management and Budget ("OMB") before collecting information from the public, whether the collection of information is mandatory, voluntary, or required to obtain or retain a benefit. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the OMB.

The collections of information included in these proposed regulations are in proposed §1.954-2(g)(3)(ii) and (iii) and (g)(4)(iii) and proposed §1.988-7(c). The information provided will generally be used by the IRS for tax compliance purposes or by taxpayers to report making or revoking elections.

The collection of information in these proposed regulations is for taxpayers to make or revoke an election as detailed in proposed §1.954-2(g)(3)(ii) and (iii) and (g)(4)(iii) and proposed §1.988-7(c). Taxpayers must inform the IRS of these elections and revocations by attaching a statement to their tax return. The information is required to be provided by taxpayers that are U.S. shareholders of CFCs and shareholders of certain foreign corporations that make or revoke an election with respect to the treatment of a foreign corporation's foreign currency gains and losses. The likely respondents are individual, business, and trust and estate filers.

For purposes of the PRA, the reporting and recordkeeping burden associated with the collections of information in proposed §1.954-2(g)(3)(ii) and (iii) and (g)(4)(iii) and proposed §1.988-7(c) will be accounted for in OMB control number 1545-0074 for individual filers and 1545-0123 for business filers.

The IRS will seek OMB approval under a new OMB Control Number (1545-NEW) for trust and estate filers.

*Estimated total annual reporting and recordkeeping burden for trusts and estates filers*: 61 hours.

*Estimated average annual burden per respondent*: 1 hour.

*Estimated number of respondents*: 61.

*Estimated frequency of responses*: one-time election or revocation.

The collections of information contained in these proposed regulations have been submitted to OMB for review in accordance with the PRA. Commenters are strongly encouraged to submit public comments electronically. Written comments and recommendations for the proposed information collection should be sent to *www.reginfo.gov/public/do/PRAMain*, with copies to the IRS. Find this particular information collection by selecting "*Currently under Review - Open for Public Comments*," then by using the search function. Submit electronic submissions for the proposed information collection to the IRS via email at pra.comments@irs.gov (indicate REG-111629-23 on the Subject line). Comments on the collection of information should be received by September 19, 2024. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the IRS, including whether the information will have practical utility; the accuracy of the estimated burden associated with the proposed collection of information; how the quality, utility, and clarity of the information to be collected may be enhanced; how the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

III. *Regulatory Flexibility Act*

Pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6) ("RFA"), it is hereby certified that these proposed regulations would not have a significant economic impact on a substantial number of small entities within the meaning of section 601(6) of the RFA ("small entities").

Generally, the proposed regulations affect certain U.S. taxpayers that have foreign operations. Specifically, the proposed regulations affect U.S. shareholders that make or revoke certain elections with respect to the computation of their CFCs' foreign currency gains and losses. The number of small entities potentially affected by the proposed regulations is unknown and cannot be reliably estimated; however, it is unlikely to be a substantial number because taxpayers with foreign operations are typically larger businesses. Due to the low expected number of potentially affected taxpayers, and the fact that the proposed regulations only amend the timing of these elections and revocations that taxpayers may already be making, the Treasury Department and the IRS believe the proposed regulations

should not materially impact a substantial number of small entities within the meaning of the RFA.

Accordingly, the Secretary certifies that the proposed regulations will not have a significant economic impact on a substantial number of small entities, and a regulatory flexibility analysis is not required.

IV. *Section 7805(f)*

Pursuant to section 7805(f), these proposed regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small businesses. The Treasury Department and the IRS also request comments from the public on the analysis in part III of the Special Analyses.

V. *Unfunded Mandates Reform Act*

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires that agencies assess anticipated costs and benefits and take certain other actions before issuing a final rule that includes any Federal mandate that may result in expenditures in any one year by a State, local, or Tribal government, in the aggregate, or by the private sector, of $100 million in 1995 dollars, updated annually for inflation. This proposed rule does not include any Federal mandate that may result in expenditures by State, local, or Tribal governments, or by the private sector in excess of that threshold.

VI. *Executive Order 13132: Federalism*

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. These proposed regulations do not have federalism implications and do not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive order.

**Comments and Requests for Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the **ADDRESSES** section. The Treasury Department and the IRS request comments on all aspects of these proposed regulations, including the procedures for making and revoking a proposed §1.988-7 election. Any comments submitted will be made available at *www.regulations.gov* or upon request.

A public hearing will be scheduled if requested in writing by any person who timely submits written comments. Requests for a public hearing are also encouraged to be made electronically. If a public hearing is scheduled, notice of the date and time for the public hearing will be published in the ***Federal Register***.

**Drafting Information**

The principal authors of these regulations are Edward Tracy and Shane Ward of the Office of Associate Chief Counsel (International). However, other personnel from the Treasury Department and the IRS participated in their development.

**Statement of Availability of IRS Documents**

IRS Revenue Procedures, Revenue Rulings, Notices, and other guidance cited in this document are published in the Internal Revenue Bulletin or Cumulative Bulletin and are available from the Superintendent of Documents, U.S. Government Publishing Office, Washington, DC 20402, or by visiting the IRS website at *www.irs.gov*.

**Partial Withdrawal of Proposed Regulations**

Under the authority of 26 U.S.C. 7805: (1) proposed §1.954-2(g)(3)(iii) and (g)(4)(iii), contained in the notice of proposed rulemaking that was published in the Federal Register on December 19, 2017 (82 FR 60135), are withdrawn for taxable years ending after August 19, 2024; (2) proposed §1.988-7(d) and (e), contained in the notice of proposed rulemaking that was published in the Federal Register on December 19, 2017 (82 FR 60135), are withdrawn as of August 19, 2024; and (3) proposed §1.988-7(c) contained in the notice of proposed rulemaking that was published in the Federal Register on December 19, 2017 (82 FR 60135), is withdrawn for taxable years beginning after August 19, 2024.

**List of Subjects in 26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

**Proposed Amendments to the Regulations**

Accordingly, the Treasury Department and the IRS propose to amend 26 CFR part 1 as follows:

**PART 1--INCOME TAXES**

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

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

**Par. 2**. Section 1.954-2 is amended by:

1. Revising the first sentence of paragraph (g)(3)(ii) introductory text;

2. Revising paragraphs (g)(3)(iii) and (g)(4)(iii); and

3. Adding two sentences to the end of paragraph (i)(3).

The revisions and additions read as follows:

**§1.954-2 Foreign personal holding company income.**

* * * * *

(g) * * *

(3) * * *

(ii) * * * The controlling United States shareholders, as defined in §1.964-1(c)(5)(i), make the election on behalf of the controlled foreign corporation by filing a statement with their timely-filed, original Federal income tax returns for the taxable year of the United States shareholders in which or with which the taxable year of the controlled foreign corporation for which the election is made ends, clearly indicating that the election has been made. * * *

(iii) *Revocation of election.* An election under this paragraph (g)(3) is effective for the taxable year of the controlled foreign corporation for which it is made and all subsequent taxable years of such corporation unless revoked by the Commissioner or as provided in this paragraph (g)(3)(iii) by the controlling United States shareholders (as defined in §1.964-1(c)(5)(i)) of the controlled foreign corporation. Once made, an election under this paragraph (g)(3) cannot be revoked by the controlled foreign corporation's controlling United States shareholders (as defined in §1.964-1(c)(5)(i)) until the sixth taxable year following the year in which the previous election was made. Further, if an election has been revoked under this paragraph (g)(3)(iii), a new election may not be made until the sixth taxable year following the year in which the previous election was revoked. The controlling United States shareholders revoke an election on behalf of a controlled foreign corporation by filing a statement that clearly indicates such election has been revoked with their original or amended income tax returns for the taxable year of such United States shareholders in which or with which the taxable year of the controlled foreign corporation for which the election is revoked ends.

* * * * *

(4) * * *

(iii) *Revocation of election.* An election under this paragraph (g)(4) is effective for the taxable year of the controlled foreign corporation for which it is made and all subsequent taxable years of such corporation unless revoked by the Commissioner or as provided in this paragraph (g)(4)(iii) by the controlling United States shareholders (as defined in §1.964-1(c)(5)(i)) of the controlled foreign corporation. Once made, an election under this paragraph (g)(4) cannot be revoked by the controlled foreign corporation's controlling United States shareholders (as defined in §1.964-1(c)(5)(i)) until the sixth taxable year following the year in which the previous election was made. Further, if an election has been revoked under this paragraph (g)(4)(iii), a new election may not be made until the sixth taxable year following the year in which the previous election was revoked. The controlling United States shareholders revoke an election on behalf of a controlled foreign corporation by filing a statement that clearly indicates such election has been revoked with their original or amended income tax returns for the taxable year of such United States shareholders in which or with which the taxable year of the controlled foreign corporation for which the election is revoked ends.

* * * * *

(i) * * *

(3) * * * Paragraphs (g)(3)(ii) and (iii) and (g)(4)(iii) of this section apply to taxable years of controlled foreign corporations ending on or after [DATE OF PUBLICATION OF FINAL RULE]. For taxable years of controlled foreign corporations ending before [DATE OF PUBLICATION OF FINAL RULE], see §1.954-2(g)(3)(ii) and (iii) and (g)(4)(iii) as in effect and contained in 26 CFR part 1, as revised April 1, 2024.

**Par. 3.** Section 1.988-7, as proposed to be added at 82 FR 60143 (December 19, 2017), is amended by adding paragraphs (c) through (e) to read as follows:

**§1.988-7 Election to mark-to-market foreign currency gain or loss on section 988 transactions.**

* * * * *

(c) *Time and manner of election*--(1) *In general.* Except as otherwise provided in this paragraph (c), a taxpayer makes the election under paragraph (a) of this section by filing a statement that clearly indicates that the election has been made with the taxpayer's timely-filed (excluding extensions) original Federal income tax return for the taxable year immediately preceding the year for which the election is made, or if applicable, with a request for an extension of time to file that return.

(2) *New taxpayers*. In the case of a taxpayer for which no Federal income tax return was required to be filed for the taxable year immediately preceding the year for which the election is made, the taxpayer makes the election under paragraph (a) of this section by preparing a statement that clearly indicates the election has been made and:

(i) Placing the statement in the taxpayer's books and records by no later than 2 months and 15 days after the first day of the year for which the election is made; and

(ii) Filing the statement with the taxpayer's original Federal income tax return for the taxable year for which the election is made.

(3) *Elections on behalf of CFCs*. In the case of a controlled foreign corporation, the controlling United States shareholders (as defined in §1.964-1(c)(5)(i)) make the election under paragraph (a) of this section on behalf of the controlled foreign corporation by preparing a statement that clearly indicates the election has been made and:

(i) Placing the statement in the controlled foreign corporation's books and records by no later than 2 months and 15 days after the first day of the year of the controlled foreign corporation for which the election is made; and

(ii) Filing the statement with their original Federal income tax returns for the taxable year of the United States shareholders in which or with which the taxable year of the controlled foreign corporation for which the election is made ends.

(d) *Revocation*. An election under paragraph (a) of this section is effective for the taxable year for which it is made and all subsequent taxable years unless the election is revoked with the consent of the Commissioner.

(e) *Applicability dates*. This section applies to taxable years of taxpayers ending on or after [DATE OF PUBLICATION OF FINAL RULE]. Paragraph (c)(3) of this section applies to taxable years of controlled foreign corporations ending on or after [DATE OF PUBLICATION OF FINAL RULE], and to taxable years of United States shareholders in which or with which the taxable years of those controlled foreign corporations end.

**Heather C. Maloy,**
*Acting Deputy Commissioner.*

(Filed by the Office of the Federal Register August 19, 2024, 8:45 a.m., and published in the issue of the Federal Register for August 20, 2024, 89 FR 67336)

# Definition of Terms

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

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

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

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

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

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

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

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

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

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

# Abbreviations

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

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

## Numerical Finding List[1]

Bulletin 2024–39

### Announcements:



### Notices:



### Proposed Regulations:



### Revenue Procedures:



### Revenue Rulings:



### Treasury Decisions:



[1] A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2024–27 through 2024–52 is in Internal Revenue Bulletin 2024–52, dated December 30, 2024.

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

Bulletin 2024–39

[1] A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2024–27 through 2024–52 is in Internal Revenue Bulletin 2024–52, dated December 30, 2024.

**Internal Revenue Service**
Washington, DC 20224



# INTERNAL REVENUE BULLETIN

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

## We Welcome Comments About the Internal Revenue Bulletin

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