

**MEMO# 23980**

November 25, 2009

## **IRS and Treasury Release 2009 - 2010 Priority Guidance Plan**

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TO: ACCOUNTING/TREASURERS MEMBERS No. 48-09  
INTERNATIONAL MEMBERS No. 29-09  
PENSION MEMBERS No. 58-09  
TAX MEMBERS No. 31-09  
TRANSFER AGENT ADVISORY COMMITTEE No. 88-09     RE: IRS AND TREASURY RELEASE  
2009 - 2010 PRIORITY GUIDANCE PLAN

The Internal Revenue Service (the “IRS”) and the Treasury Department have released their 2009 - 2010 Priority Guidance Plan [\[1\]](#) listing their priorities for tax regulations and other administrative guidance through June 30, 2010. We are pleased to report that the following projects requested by the Institute [\[2\]](#) have been included on the plan:

### **Items of Interest to Funds and Fund Shareholders**

- Guidance regarding certain stock and cash distributions by regulated investment companies (RICs) and real estate investment trusts (REITs).
- Guidance relating to distressed debt.
- Guidance on prepaid forward contracts.
- Regulations under §446 on notional principal contracts (NPCs) relating to the inclusion in income or deduction of a contingent nonperiodic payment and guidance relating to the character of payments made pursuant to an NPC.
- Guidance concerning FBAR filing.
- Regulations under §§6045, 6045A and 6045B regarding cost basis information reporting relating to securities transactions.

## **Retirement Savings Items**

- Guidance on §403(b) plan terminations.
- Revenue procedure on §403(b) prototype program.

The 2009 – 2010 Priority Guidance Plan also includes numerous other projects that relate to funds, fund shareholders, and retirement savings. These projects include:

## **Items of Interest to Funds and Fund Shareholders**

- Guidance under §337(d) related to real estate investment trusts (REITs) and regulated investment companies (RICs).
- Regulations regarding continuity of interest.
- Treatment of an interest in a money market fund as a cash item under §856(c)(4)(A).
- Guidance under §1.1001-3 to clarify whether a deterioration in the financial condition of the issuer is taken into account to determine whether a modified debt instrument is debt or equity.
- Update the regulations under §1273 for determining when a debt instrument is publicly traded.
- Guidance under §1286(f) as added by the American Jobs Creation Act of 2004 regarding treatment of stripped interests in bond and preferred stock funds.
- Guidance under §§1296, 1297, and 1298 relating to tiered investments and other guidance relating to passive foreign investment companies.
- Guidance under §1441 on qualified intermediaries and other withholding issues.
- Guidance on issues relating to the foreign tax credit, such as treatment of foreign and domestic losses, the computation of earnings and profits, and final regulations under § 905(c) regarding foreign tax redeterminations.
- Regulations or other guidance on source, such as income from mixed sources and final regulations for sourcing certain services compensation on an event basis.
- Guidance under treaties.
- Guidance concerning the treatment of currency gain or loss.
- Modification of Rev. Proc. 2003-84 regarding monthly closing elections for partnership investments in tax-exempt bonds.
- Revenue ruling applying the all events test of §461 to services and other liabilities related to such services.
- Guidance under §§6694 and 6695 relating to return preparer penalties.
- Revisions to Circular 230 regarding practice before the IRS.
- Guidance under §54A on tax credit bonds.
- Guidance under §54AA on Build America Bonds.

## **Retirement Savings Items**

- Guidance relating to lifetime income from defined contribution plans.
- Final regulations on diversification requirements under §401(a)(35), as added by the Pension Protection Act of 2006.
- Final regulations on suspension or reduction of safe harbor nonelective contributions under §401(k) and (m).
- Guidance on group trusts under Rev. Ruls. 81-100 and 2004-67.
- Notice on cumulative list of changes in plan qualification requirements.
- Guidance on governmental plan status under §414(d).

- Guidance on procedures for ruling requests under §414(e) for church plans.
- Notice on certain retirement plan provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008.
- Guidance on distributions from §457(b) plans for unforeseeable emergencies.
- Proposed regulations on certain reporting requirements for qualified plans.

Anna Driggs  
Associate Counsel – Pension Regulation

Karen Lau Gibian  
Associate Counsel – Tax Law

#### **endnotes**

[1] The 2009 – 2010 Priority Guidance Plan can be found on the IRS’s website at:  
<http://www.irs.gov/newsroom/article/0,,id=215792,00.html>

[2] See Institute [Memorandum](#) (23491) to 529 Plan Members No. 1-09, Accounting/Treasurers Members No. 23-09, International Members No. 11-09, Tax Members No. 11-09, and Transfer Agent Advisory Committee No. 39-09, dated May 28, 2009; Institute [Memorandum](#) (23510) to Pension Members No. 25-09, dated June 5, 2009.

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